

Federal Energy Regulatory Commission

FY 2024 CONGRESSIONAL JUSTIFICATION

FY 2024 Performance Budget Request
FY 2024 Agency Performance Plan
FY 2022 Agency Performance Report

March 13, 2023
Chairman Willie L. Phillips



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Introduction

The Federal Energy Regulatory Commission (FERC or the Commission) is an independent agency that regulates the transmission and wholesale sale of electricity and natural gas in interstate commerce, as well as the transportation of oil by pipelines in interstate commerce. FERC also reviews proposals to build interstate natural gas pipelines, natural gas storage projects, and liquefied natural gas (LNG) terminals, and FERC licenses non-federal hydropower projects. Congress assigned these responsibilities to FERC in various laws including the Federal Power Act (FPA), enacted 100 years ago, the Public Utility Regulatory Policies Act of 1978, the Natural Gas Act (NGA), the Natural Gas Policy Act of 1978, and the Interstate Commerce Act. More recently, as part of the Energy Policy Act of 2005, Congress gave FERC additional responsibilities to protect the reliability and cybersecurity of the Bulk-Power System through the establishment and enforcement of mandatory reliability standards, as well as additional authority to enforce FERC regulatory requirements through the imposition of civil penalties and other means.

While the Commission has many statutory responsibilities, there are areas outside its responsibilities that fall to other federal agencies or state public utility commissions. Some examples are outlined below.

WHAT FERC DOES	WHAT FERC DOES NOT DO
Regulates the transmission and wholesale sale of electricity in interstate commerce	Regulate retail electricity and natural gas sales to consumers
Reviews certain mergers and acquisitions and corporate transactions by electricity companies	Approve physical construction of electric generation facilities
Regulates the transmission and sale of natural gas for resale in interstate commerce	Regulate activities of the municipal power systems, federal power marketing agencies, and most rural electric cooperatives
Regulates the transportation of oil by pipelines in interstate commerce	Regulate nuclear power plants
Approves the siting and abandonment of interstate natural gas pipelines and storage facilities	Issue State Water Quality Certificates
Reviews the siting application for electric transmission projects under limited circumstances	Oversee the construction of oil pipelines
Assesses the safe operation and reliability of proposed and operating LNG terminals	Oversee abandonment of service as related to oil facilities
Licenses and inspects private, municipal, and state hydroelectric projects	Regulate mergers and acquisitions as related to natural gas and oil companies
Protects the reliability of the high voltage interstate transmission system through mandatory reliability standards	Exercise responsibility for pipeline transportation on or across the Outer Continental Shelf or for pipeline safety
Monitors and investigates energy markets	Regulate local distribution pipelines of natural gas
Enforces FERC regulatory requirements through imposition of civil penalties and other means	Oversee development and operation of natural gas vehicles
Oversees environmental matters related to natural gas and hydroelectricity projects and other matters	Address reliability problems related to failures of local distribution facilities
Administers accounting and financial reporting regulations and conduct of regulated companies	Regulate tree trimmings near local distribution power lines in residential neighborhoods

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Guiding Principles

Organizational Excellence: The Commission strives to use its resources efficiently and effectively to achieve its strategic priorities.

Due Process and Transparency: Paramount in all its proceedings is the Commission's determination to be open and fair to all participants.

Regulatory Certainty: In each of the thousands of orders, opinions, and reports issued by the Commission each year, the Commission strives to provide regulatory certainty through consistent approaches and actions.

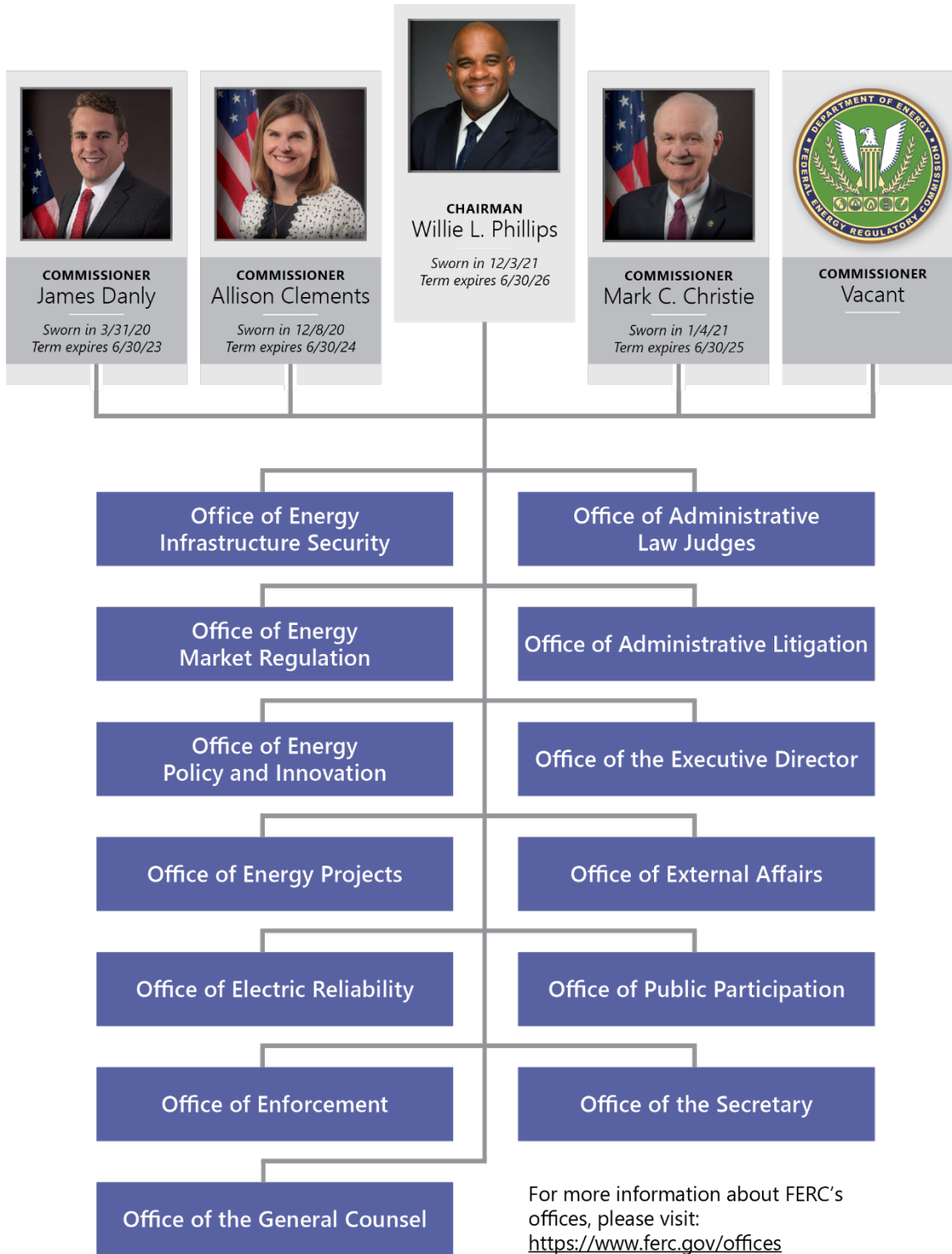
Stakeholder Involvement: The Commission conducts regular outreach to ensure that interested parties have an appropriate opportunity to contribute to the performance of the Commission's responsibilities.

Timeliness: The Commission's goal is to reach an appropriate resolution of each proceeding in an expeditious manner.

The Organization

FERC is composed of up to five commissioners who are appointed by the President of the United States with the advice and consent of the Senate. Commissioners serve staggered five-year terms and have an equal vote on the orders through which FERC acts. The President appoints one of the commissioners to be the chairman of FERC, the administrative head of the agency. FERC is a bipartisan body; no more than three commissioners may be of the same political party. To carry out its authorities, the Commission has approximately 1,500 staff members that are organized into 13 offices. Commission staff is located primarily in the Washington, D.C. region, with several field offices across the country.

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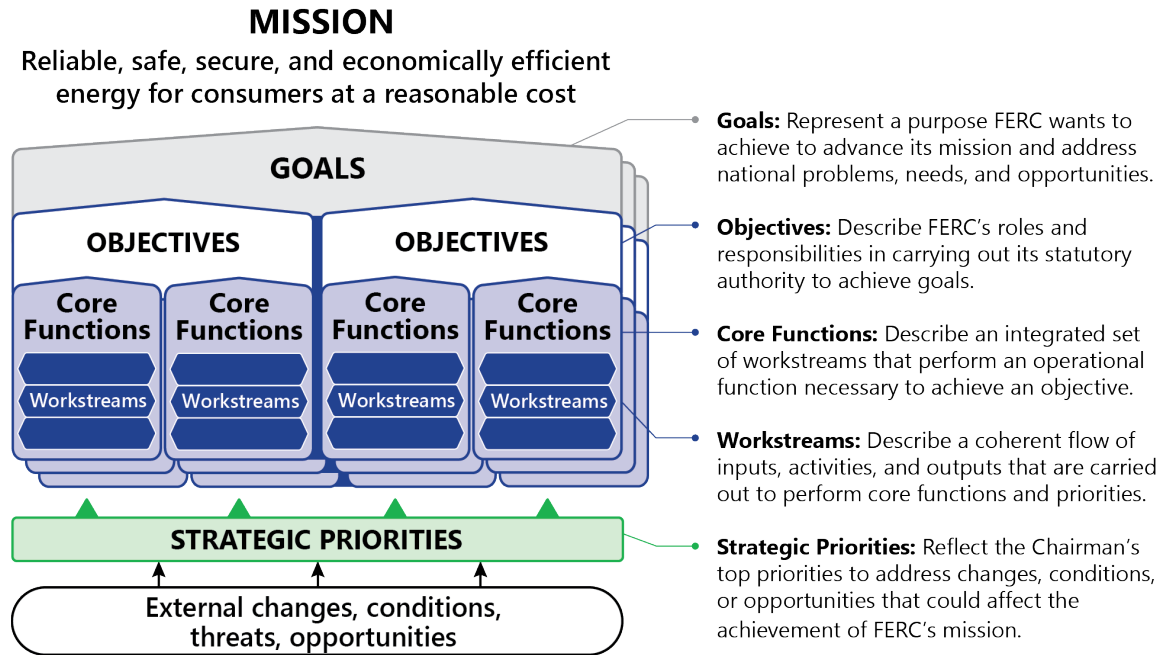
About this Document

Document Purpose

FERC’s Congressional Justification consolidates the Annual Performance Plan and Annual Performance Report with the Performance Budget Request for the purpose of:

- Communicating FERC’s results from the prior fiscal year,
- Establishing FERC’s planned results in the current and following fiscal years, and
- Supporting FERC’s resource request for the following year to pursue its mission.

To provide information on FERC’s progress achieving goals, objectives, and strategic priorities, the Congressional Justification is organized by the framework established in the FYs 22 - 26 Strategic Plan, depicted below, and results are reported at the workstream level.



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How to Navigate this Document

In addition to the navigation links at the bottom of each page, headings throughout the Congressional Justification are hyperlinked to allow the reader to move among sections quickly and easily.

● FERC Strategic Priorities

Strategic Priorities are addressed by one or more Core Functions and Workstreams within an Objective. An overview of each Strategic Priority, including the performance goal and indicator, is presented at the beginning of the relevant objective. An **Action Index Table**, including hyperlinks, summarizes the Commission’s actions and the Core Function and Workstream with which the action aligns. Results associated with each Priority can be easily identified by looking for this blue icon: ●

You can use the links below to jump directly to the Action Index Table for the Priority.

- [Modernizing Electricity Market Design](#) (Objective 1.1)
- [Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix](#) (Objective 1.1)
- [Promoting a Strong and Robust Enforcement Program](#) (Objective 1.2)
- [Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects](#) (Objective 2.1)
- [Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security](#) (Objective 2.2)
- [Improving Accessibility and Participation in Proceedings](#) (Objective 3.2)

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Strategic Framework

Mission

Reliable, Safe, Secure, and Economically Efficient Energy for Consumers at a Reasonable Cost

Assist consumers in obtaining reliable, safe, secure, and economically efficient energy services at a reasonable cost through appropriate regulatory and market means, and collaborative efforts.

Goal 1: Ensure Just and Reasonable Rates, Terms, and Conditions

OBJECTIVE 1.1: Establish and apply FERC rules and policies that will result in just, reasonable, and not unduly discriminatory or preferential rates, terms, and conditions of jurisdictional service.

● **STRATEGIC PRIORITY:** Modernizing Electric Market Design

● **STRATEGIC PRIORITY:** Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix

CORE FUNCTION 1.1.1: Determine whether FERC rules and policies need to be added or changed.

Workstream: Evaluate Policies and Pursue Changes to Regulations Where Necessary

Workstream: Conduct Outreach and Information Sharing

CORE FUNCTION 1.1.2: Analyze and act on filings in a fair, clear, and timely manner.

Workstream: Analyze and Act on Filings

Workstream: Conduct Settlement Judge Procedures

Workstream: Conduct Hearing Procedures

OBJECTIVE 1.2: Promote compliance with FERC rules, including by detecting and deterring market manipulation.

● **STRATEGIC PRIORITY:** Promoting a Strong and Robust Enforcement Program

CORE FUNCTION 1.2.1: Assess compliance and financial filings of regulated entities.

Workstream: Conduct Compliance, Operational, Financial, and Other Audits

Workstream: Establish Accounting Policies and Analyze Financial Filings

Workstream: Assess, Analyze, and Administer Electric, Natural Gas, and Oil Forms

CORE FUNCTION 1.2.2: Monitor market activity and explore potential violations.

Workstream: Conduct Surveillance of Natural Gas and Electric Markets

Workstream: Conduct Investigations

Workstream: Conduct Enforcement Proceedings

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Goal 2: Ensure Safe, Reliable, and Secure Infrastructure Consistent With the Public Interest

OBJECTIVE 2.1: Facilitate benefits to the nation through the review of energy infrastructure proposals, including natural gas and hydropower.

● **STRATEGIC PRIORITY:** Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects

CORE FUNCTION 2.1.1: Conduct thorough and timely technical review of applications to construct, operate, or modify natural gas and hydropower infrastructure.

Workstream: Review Applications for Interstate Natural Gas Pipeline, Storage, and LNG Projects

Workstream: Review Applications for Hydropower Projects

CORE FUNCTION 2.1.2: Assess compliance with environmental mitigation conditions in FERC orders during construction and operation of natural gas and hydropower infrastructure.

Workstream: Conduct Natural Gas Pipeline, Storage, and LNG Project Inspections/Reviews

Workstream: Conduct Hydropower Project Inspections/Reviews

OBJECTIVE 2.2: Minimize risks to the public associated with FERC-jurisdictional energy infrastructure.

● **STRATEGIC PRIORITY:** Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

CORE FUNCTION 2.2.1: Conduct comprehensive and timely inspections of hydropower and LNG facilities to ensure compliance.

Workstream: Conduct LNG Facility Inspections

Workstream: Conduct Hydropower Facility Inspections

CORE FUNCTION 2.2.2: Protect and improve the reliable and secure operation of the Bulk-Power System through mandatory and enforceable reliability standards.

Workstream: Monitor Bulk-Power System Performance and Assess the Need for Modified/New Reliability Standards

Workstream: Review and Approve Proposed Reliability Standards

Workstream: Oversee the ERO and the Enforcement of Reliability Standards

CORE FUNCTION 2.2.3: Protect FERC-jurisdictional energy infrastructure through collaboration and sharing best practices.

Workstream: Collaborate With the Critical Infrastructure Community to Inform and Address Infrastructure Security

Workstream: Identify and Assess Threats and Vulnerabilities in Critical Energy Infrastructure

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Goal 3: Provide Mission Support Through Organizational Excellence

OBJECTIVE 3.1: Manage resources effectively through an engaged workforce.

CORE FUNCTION 3.1.1: Maintain processes and provide compliant services that enable FERC offices to manage resources effectively and efficiently.

Workstream: Design and Implement Effective Internal Control and Accountability Systems

Workstream: Manage FERC’s Finance, Accounting, and Acquisition Requirements

Workstream: Design and Implement Human Capital Strategies to Attract a Diverse and Effective Workforce

Workstream: Maintain a Secure and Reliable IT Infrastructure

Workstream: Maintain the Safety, Security, and Resilience of FERC Operations

CORE FUNCTION 3.1.2: Provide tools and services that enable employees to perform their jobs effectively and drive FERC’s success.

Workstream: Protect Employees and Provide a Safe Workplace

Workstream: Provide Technical Support to Employees

Workstream: Develop and Engage Employees

OBJECTIVE 3.2: Facilitate trust and understanding of FERC activities by promoting transparency and equity, open communication, and a high standard of ethics.

● **STRATEGIC PRIORITY:** Improving Accessibility and Participation in Proceedings

CORE FUNCTION 3.2.1: Maintain legal and other processes in accordance with the principles of due process, fairness, and integrity.

Workstream: Provide Ethical and Legal Support and Analysis Regarding FERC’s Operational Functions

Workstream: Provide Legal Guidance and Representation to FERC on Rehearing and Appeal of Commission Issuances

Workstream: Provide Guidance to the Commission on Matters Involving Environmental Justice and Equity

CORE FUNCTION 3.2.2: Promote understanding, participation, and engagement.

Workstream: Educate, Inform, and Engage

Workstream: Provide Outreach and Assistance on Individual Proceedings

Workstream: Maintain and Provide Public Information Systems and Services to Facilitate Public Engagement

Workstream: Explore Intervenor Funding

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The Commission’s Funding

Proposed Appropriation Language

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including services as authorized by 5 U.S.C. 3109, the hire of passenger motor vehicles, and official reception and representation expenses not to exceed \$3,000, \$520,000,000, to remain available until expended: Provided, That notwithstanding any other provision of law, not to exceed \$520,000,000 of revenues from fees and annual charges, and other services and collections in fiscal year 2024 shall be retained and used for necessary expenses in this account, and shall remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as revenues are received during the fiscal year 2024 so as to result in a final fiscal year 2024 appropriation from the general fund estimated not more than \$0.

Full Cost Recovery

The Federal Energy Regulatory Commission recovers the full cost of its operations through annual charges and filing fees assessed on the industries it regulates as authorized by the FPA and the Omnibus Budget Reconciliation Act of 1986. The Commission deposits this revenue into the Treasury as a direct offset to its appropriation, resulting in a net appropriation of zero.

	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 REQUEST
Appropriation	\$466,426,000	\$508,400,000	\$520,000,000
Offsetting Collections	(\$466,426,000)	(\$508,400,000)	(\$520,000,000)
Net Appropriation	\$ -	\$ -	\$ -

Note: Numbers may not add up due to rounding.

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FY 2024 Request Summary

The Federal Energy Regulatory Commission requests an appropriation of \$520,000,000 and 1,566 full-time equivalents (FTEs) to execute its mission in fiscal year (FY) 2024. This funding request is an increase of \$11,600,000, or about 2.3 percent, above the FY 2023 Congressional Budget Request. The Commission’s full funding requirement to meet base operating requirements is \$541,000,000. However, the Commission will apply \$21,000,000 of prior year unobligated budget authority to support funding requirements in FY 2024.

The Commission’s highly engaged and dedicated workforce applies its diverse expertise toward achieving its regulatory mission to ensure economically efficient, safe, reliable, and secure energy for consumers. While the workforce composition and size have remained fairly stable over the past ten years, the Commission’s proposed FY 2024 budget requests an increase of 58 FTEs based on an independent assessment of the Commission’s evolving work demand and associated workforce requirements to achieve its strategic objectives and performance targets.

The Commission’s FY 2023 FTE adjustments focused on addressing staffing needs to sustain current workload and alleviate the most acute areas of overload within each of the program offices. Building upon our request from FY 2023, the FY 2024 FTE request will center on enhancing the mission by focusing on strategic opportunities to augment capacity and build new capabilities across all Commission program offices. The additional resources will allow the Commission’s program offices to undertake forward-looking strategic studies and expand external engagement efforts with a wide range of stakeholders. In addition, targeted FTE investments will enhance the Commission’s advisory services, strengthen organizational capabilities, streamline processes, and minimize inefficiencies to address the Commission’s evolving mission requirements. The FTE increase will continue to directly staff the new Office of Public Participation established in FY 2021.

The Commission allocates 62 percent of its budget to directly cover personnel compensation costs of its employees on an annual basis. The Commission’s request reflects a personnel compensation increase of \$27.7 million, or 8.9 percent, above the FY 2023 Congressional Request level to support an increase of 58 FTEs and accounts for a 5.2 percent pay raise in January 2024.

The request also provides continued funding for program contracts associated with statutorily required workload with hydropower and natural gas infrastructure, including environmental reviews, public outreach, stakeholder engagement, construction oversight, and expert witness contractor assistance in the Commission’s enforcement program.

The FY 2024 request includes continued funding for consultants and commission studies to support the environmental justice and equity goals developed during the equity assessment process initiated during FY 2021, as described in the Equity Action Plan. The equity assessment and equity plan are being undertaken pursuant to the requirements of Executive Order 13985, *Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, issued on January 20, 2021. The requested funding may help with removing barriers that can block historically overburdened and underserved communities from benefitting from safe, reliable, secure, and economically efficient energy services. Implementation of the Equity Action Plan may also help lay the foundation for continued integration of environmental justice and equity in the Commission’s work.

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Additionally, the Commission’s request includes \$129.7 million in FY 2024 to support information technology (IT) investments. This is an increase of \$14.1 million, or 12.2 percent, over the FY 2023 budget request to Congress. This increase provides additional funding to support IT investments for mission delivery and IT infrastructure, cybersecurity, data analytics capabilities, and management. In FY 2024, the Commission’s request continues to invest in the Commission’s Application Layer Modernization initiative, which is a five-year effort that will modernize mission critical systems. At the conclusion of the modernization effort, the Commission anticipates cost avoidance in legacy operations and maintenance costs through the reduction of highly specialized resources needed to currently support those critical systems.

Furthermore, in FY 2024 the Commission will continue its goal of providing a best-in-class IT environment for its stakeholders while proceeding to execute federal mandates for IPv6 requirements and zero-trust cybersecurity principles. FERC is implementing the IPv6 mandates per required timelines, as outlined in the Office of Management and Budget (OMB) Memorandum M-21-07, while minimizing impact to current activities and resources. In addition, as federal agencies continue to encounter sophisticated cybersecurity attacks, FERC proceeds to carry out the requirements of OMB Memorandum M-22-09. FERC has identified resource needs to ensure that the proposed zero-trust architecture is executed according to each outlined phase of its implementation plan, and that it is in line with our technical approach. For FY 2024, FERC requests funding and resources to support the plan to include identity, device, network, application, and data. Also, FERC will modernize its legacy telecommunications services by upgrading its enterprise telephone system for all offices in FY 2024.

Building upon the investments in secure cloud environments and continued progress in implementing security best practices and tools will allow the Commission to confront the evolving threats agencies face on a frequent basis and provide strong security controls and visibility of high value data assets. To combat these threats, the Commission continues to invest in cloud native security technologies leveraging subscription-based solutions to protect FERC assets. The continued use of cloud platforms increases the unfettered access to the Commission’s applications, enhances access to real-time data for decision making, and provides for availability of services regardless of location.

Moreover, this increase in funding allows FERC to continue maturing its data infrastructure, pursuant to the requirements of the Evidence Act and Federal Data Strategy Action Plans, by evolving its data analytics capabilities with best-in-class data science tools. This supports data driven decision making and offers a public facing data infrastructure in response to Open Data requirements. FERC is also implementing significantly improved data governance and stewardship tools as it matures its delivery of the Enterprise Data Inventory requirements and connection to data.gov.

Lastly, to provide best-in-class customer service, in FY 2024 FERC requests funding to implement an enterprise self-service portal for its employees to facilitate access to all administrative support services. This portal will centralize all services across multiple organizations, implement better automation to increase service delivery, and integrate disparate systems for better visibility and reporting.

In order to support these digital transformation efforts, the Commission continues to leverage its multi-year contracting vehicles. These vehicles continue to bring leading edge support services that upgrade the core IT infrastructure, execute daily IT operations, modernize all core mission applications to cloud-based platforms, and provide services to deliver an enterprise data program and a cloud-based data analytics

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platform. These investments will ensure the Commission continues to drive innovation for effective delivery of IT for its stakeholders, provide for highly secure and resilient applications, make timely data-driven decisions to support mission needs, and provide capabilities across the data value chain to meet the increasing scale and complexity of data analytics challenges.

The Commission requests \$2.0 million in FY 2024 to support intervenor assistance compensation pursuant to section 319 of the FPA, 16 U.S.C. § 825q-1. FPA section 319 provides for both non-financial and financial assistance to persons participating in Commission proceedings. Compensation can include reasonable attorney’s fees, expert witness fees, and other costs of intervening or participating in Commission proceedings.

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Funding Tables

Resources by Strategic Goals and Objectives

Strategic Goal and Objectives <i>(Dollars in thousands)</i>		FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 REQUEST	PERCENT CHANGE FY23 TO FY24
GOAL 1	Funding	\$209,676	\$226,921	\$241,467	6.4%
	FTE	671	679	704	3.7%
Objective 1.1		156,762	175,287	185,591	5.9%
		522	532	552	3.8%
Objective 1.2		52,914	51,634	55,876	8.2%
		149	147	152	3.3%
GOAL 2	Funding	\$153,181	\$172,762	\$181,976	5.3%
	FTE	480	498	512	2.8%
Objective 2.1		77,511	86,613	92,238	6.5%
		239	248	259	4.5%
Objective 2.2		75,670	86,149	89,738	4.2%
		240	251	254	1.2%
GOAL 3	Funding	\$93,196	\$108,717	\$117,557	8.1%
	FTE	313	331	350	5.7%
Objective 3.1		70,089	75,413	79,949	6.0%
		234	229	239	4.4%
Objective 3.2		23,107	33,304	37,608	12.9%
		79	102	111	8.5%
TOTAL	Funding	\$456,053	\$508,400	\$541,000	6.4%
	FTE	1,464	1,508	1,566	3.8%
Application of Prior Year (PY) Budget Authority				(21,000)	
TOTAL	Funding	\$456,053	\$508,400	\$520,000	2.3%
	FTE	1,464	1,508	1,566	3.8%

Note: Numbers may not add up due to rounding.

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Resources by Regulated Industry

Regulated Industry <i>(Dollars in thousands)</i>		FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 REQUEST	PERCENT CHANGE FY23 TO FY24
Electric	Funding	\$248,731	\$283,530	\$299,016	5.5%
	FTEs	815	841	866	2.9%
Hydro	Funding	\$103,059	\$115,948	\$122,413	5.6%
	FTEs	326	342	353	3.3%
Natural Gas	Funding	\$91,812	\$93,095	\$104,728	12.5%
	FTEs	281	276	303	9.6%
Oil	Funding	\$12,452	\$15,826	\$14,843	-6.2%
	FTEs	42	48	44	-8.2%
Subtotal		\$456,053	\$508,400	\$541,000	6.4%
Application of PY Budget Authority		-	-	(21,000)	
Total	Funding	\$456,053	\$508,400	\$520,000	2.3%
	FTEs	1,464	1,508	1,566	3.8%

Note: Numbers may not add up due to rounding.

Comparison of FYs 2023 and 2024 by Major Category

<i>Major Category (Dollars in thousands)</i>	FY 2023 ENACTED	FY 2024 REQUEST	DIFFERENCE	PERCENT CHANGE FY23 TO FY24
FTEs	1,508	1,566	58	3.8%
Salaries & Benefits	310,832	338,538	27,706	8.9%
Rent	32,559	33,285	726	2.2%
Program Support Contracts	11,249	12,815	1,566	13.9%
Information Technology	115,592	129,685	14,093	12.2%
Administrative (including Travel and Training)	30,035	26,677	(3,357)	-11.2%
Building Modernization	8,133	-	(8,133)	-100.0%
Subtotal	\$508,400	\$541,000	\$32,600	6.4%
Application of PY Budget Authority	-	(21,000)		
Totals	\$508,400	\$520,000	\$11,600	2.3%

Note: Numbers may not add up due to rounding.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2		
Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2		

Object Class Summary

<i>Object Class (Dollars in thousands)</i>		FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 REQUEST
11.9	Personnel Compensation	\$211,348	\$228,347	\$247,759
12.1	Benefits	75,730	82,485	90,779
13.0	Benefits for Former Personnel	2	-	-
<i>Sub Total, Personnel Compensation & Benefits</i>		\$287,080	\$310,832	\$338,538
21.0	Travel and Transportation of Persons	1,830	4,075	4,567
22.0	Transportation of Things	2	1	1
23.1	Rental Payments to General Services Administration	32,478	32,559	33,285
23.2	Rental Payments to Others	1,220	1,067	1,747
23.3	Communications, Utilities & Misc. Charges	2,364	4,613	3,376
24.0	Printing and Reproduction	1,159	1,597	1,387
25.1	Advisory and Assistance	19,081	24,798	21,777
25.2	Non-Federal	22,744	19,490	22,260
25.3	Federal	1,983	2,002	2,062
25.4	Operation & Maintenance of Facilities	2,194	2,216	2,297
25.7	Operation & Maintenance of Equipment	56,120	58,228	66,676
26.0	Supplies and Materials	4,959	5,402	6,196
31.0	Equipment	22,654	34,398	36,701
32.0	Leasehold Improvements	86	7,122	130
42.0	Insurance Claims and Indemnities	99	-	-
TOTAL, OBLIGATIONS		\$456,053	\$508,400	\$541,000
Application of PY Budget Authority		-	-	(21,000)
GROSS BUDGET AUTHORITY		\$456,053	\$508,400	\$520,000
Offsetting Receipts		(456,053)	(508,400)	(520,000)
NET BUDGET AUTHORITY		\$-	\$-	\$-

Note: Numbers may not add up due to rounding.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	CF 2.1.2	CF 2.2.3
			Obj 2.2 >	CF 2.2.1
			Obj 3.1 >	CF 3.1.1
			Obj 3.2 >	CF 3.1.2
				CF 3.2.1
				CF 3.2.2

Goal 1

Overview and Funding Summary

GOAL 1: Ensure Just and Reasonable Rates, Terms, and Conditions

OBJECTIVE 1.1: Establish and apply FERC rules and policies that will result in just, reasonable, and not unduly discriminatory or preferential rates, terms, and conditions of jurisdictional service.

OBJECTIVE 1.2: Promote compliance with FERC rules, including by detecting and deterring market manipulation.

Strategic Goal and Objectives (Dollars in thousands)		FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 REQUEST	PERCENT CHANGE FY23 TO FY24
Objective 1.1	FTE	522	532	552	3.8%
	Funding	\$156,762	\$175,287	\$185,591	5.9%
Program		102,922	111,740	121,088	8.4%
Support		53,840	63,547	64,503	1.5%
Objective 1.2	FTE	149	147	152	3.3%
	Funding	\$52,914	\$51,634	\$55,876	8.2%
Program		37,538	34,094	38,165	11.9%
Support		15,375	17,541	17,711	1.0%
GOAL 1 SUBTOTAL	FTE	671	679	704	3.7%
	Funding	\$209,676	\$226,921	\$241,467	6.4%
Application of PY Budget Authority		-	-	(9,373)	
GOAL 1 TOTAL	Funding	\$209,676	\$226,921	\$232,094	2.3%

Note: Numbers may not add up due to rounding.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

Goal 1 > Objective 1.1

Overview and Priorities

OBJECTIVE 1.1: Establish and apply FERC rules and policies that will result in just, reasonable, and not unduly discriminatory or preferential rates, terms, and conditions of jurisdictional service.

CORE FUNCTION 1.1.1: Determine whether FERC rules and policies need to be added or changed.

CORE FUNCTION 1.1.2: Analyze and act on filings in a fair, clear, and timely manner.

● Modernizing Electricity Market Design

Priority Overview

This priority concerns ensuring that wholesale electric markets maintain their ability to serve wholesale electric customers efficiently and reliably. Current market designs may not allow for the operational flexibility needed to address changing system needs that are being driven by an evolving resource mix and changing load profiles. The Commission will work with stakeholders to explore the gaps in current electricity market designs and identify potential reforms to modernize them.

The Commission’s actions and expected results are described more fully in the following section.

Action Index Table

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
1.1.1: Determine whether FERC rules and policies need to be added or changed.	Evaluate policies and pursue changes to regulations where necessary: Wholesale sales	1. Explore gaps in the current electricity market design and identify potential reforms to appropriately modernize market design.	<u>22</u>

Performance Goal: *Develop necessary reforms to ensure that electricity markets continue to provide efficient and reliable service to customers amid the emerging transformation of the electricity sector.*

Performance Indicator: Milestones achieved within established timeframe	Target:	FY 2022	FY 2023	FY 2024
		Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	Actual:	Target Met	To be determined	To be determined

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

● Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix

Priority Overview

This priority concerns the challenges associated with connecting new and diverse energy resources to the electric grid. A large amount of additional electric transmission infrastructure is needed to address these challenges and facilitate the participation of new resources in wholesale electricity markets efficiently, while maintaining the reliability of the electric grid. A more efficient, cost-effective, and reliable electric grid benefits all, including underserved communities that currently shoulder disparate energy burdens, which the transforming electric grid can help to relieve. The Commission will work with stakeholders to identify, assess, and implement a series of reforms that will facilitate the development of new electric transmission infrastructure needed to address the changing resource mix.

The Commission’s actions and expected results are described more fully in the following section.

Action Index Table

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
1.1.1: Determine whether FERC rules and policies need to be added or changed.	Evaluate policies and pursue changes to regulations where necessary: Transmission and Transportation	1. Identify, assess, and implement a series of reforms that will facilitate the development of new electric transmission infrastructure needed to address the changing resource mix.	<u>24</u>

Performance Goal: *Develop necessary reforms to enable the electric grid to accommodate the evolution of the resource mix in an efficient and reliable manner while maintaining just, reasonable, and not unduly discriminatory or preferential rates, terms, and conditions of service.*

Performance Indicator: Milestones achieved within established timeframe		FY 2022	FY 2023	FY 2024
	Target:	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
Actual:	Target Met	To be determined	To be determined	

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	<u>Obj 1.1 > CF 1.1.1 CF 1.1.2</u>	<u>Obj 2.1 > CF 2.1.1 CF 2.1.2</u>	<u>Obj 3.1 > CF 3.1.1 CF 3.1.2</u>	
	<u>Obj 1.2 > CF 1.2.1 CF 1.2.2</u>	<u>Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3</u>	<u>Obj 3.2 > CF 3.2.1 CF 3.2.2</u>	

GOAL 1 > OBJECTIVE 1.1 > CORE FUNCTION 1.1.1

Determine whether FERC rules and policies need to be added or changed.

PURPOSE OF THE CORE FUNCTION

To adapt to emerging issues and changing circumstances.

Ensure that **consumers/stakeholders**:

- Have reasonable access to needed jurisdictional services.
- Have confidence that FERC takes accountability for, and is effective at, adjusting its rules and regulations and ensuring that they continue to serve the public interest.
- Have confidence in the quality and impartiality of the Commission’s analyses.
- Have the opportunity to comment and participate in Commission proceedings.

Ensure that **jurisdictional entities**:

- Are appropriately compensated for responding to system needs in a rapidly changing marketplace.
- Can be confident that the Commission is aware of changes impacting energy industry stakeholders and will respond to changing market conditions and trends.
- Have the opportunity to comment and participate in Commission proceedings.
- Understand how Commission rules and policies are established, why they were established, and the relevance they have to the entity’s business and operations.

Overview

This core function includes the following workstreams and related impacts.

Workstream	<ul style="list-style-type: none"> ▪ Impacts
Evaluate Policies and Pursue Changes to Regulations Where Necessary*	<ul style="list-style-type: none"> ▪ Enable the Commission to better understand the potential impacts of changing external conditions. ▪ Develop responsive rules and policies that effectively balance the needs of jurisdictional entities and energy consumers.
Conduct Outreach and Information Sharing	<ul style="list-style-type: none"> ▪ Allow the Commission to maintain a connection with stakeholders. ▪ Allow staff to learn from, educate, and exchange information with different groups regarding trends and recurring and emerging issues.

* Workstream contributes towards Strategic Priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	
	CF 1.1.2	CF 2.1.2	CF 3.1.2	
	Obj 1.2 > CF 1.2.1	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
	CF 1.2.2	CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

Past and Planned Results



Evaluate Policies and Pursue Changes to Regulations Where Necessary

Wholesale Sales

ELECTRIC MARKET-BASED RATES AND COST-BASED RATES

FY 2022 RESULTS.

With regard to electric market-based rates, the Commission continued to develop the market-based rate relational database established in Order No. 860. In Order No. 860, the Commission revised its regulations in order to collect certain information previously filed in the electric market-based rate program in a consolidated and streamlined manner through a relational database.

In accordance with Order No. 860, as modified in Order No. 860-A, the Order Adopting Revisions to Information Collection, and the October 22, 2021 Notice of Extension of Time, sellers with a market-based rate tariff on file with the Commission were required to make a baseline submission to the Market-Based Rate Database by February 1, 2022 so that all sellers making market-based rate filings could refer to the information collected in the database in their transmittal letters. In FY 2022, the Commission continued to work with industry stakeholders to refine and test the market-based relational database system and to ensure the ability for sellers to make timely submissions. The Commission identified late filers, worked with such entities to ensure proper compliance, and initiated procedures to revoke market-based rate authority for sellers that continue to fail to comply. The Commission provided guidance and training to interested stakeholders regarding how to use the new database.

In FY 2022, the Commission continued its proceeding on credit practices in markets operated by Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) by issuing a Notice of Proposed Rulemaking (NOPR) that would allow electric market operators to share credit-related information among themselves to more accurately assess market participants' credit risks. Concurrently, the Commission also issued an Order to Show Cause regarding whether the existing tariffs of four market operators may be unjust and unreasonable because they lack certain credit risk management practices for their Financial Transmission Rights markets.

In FY 2022, the Commission issued a Notice of Inquiry (NOI) related to the rate recovery, reporting, and accounting treatment of industry association dues and certain civic, political, and related expenses.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue to evaluate the effectiveness of the new market-based rate relational database and make changes, where appropriate, to help facilitate and support access to the data. Additionally, in FYs 2023 and 2024, the Commission will continue to evaluate the impact of the new database on the market-based rate program, as well as industry and the public. Further, in FYs 2023 and 2024, the Commission will continue to evaluate seller filings in the new database to ensure compliance.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	
	Obj 1.2 > CF 1.2.1	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
	CF 1.1.2	CF 2.1.2	CF 3.1.2	
	CF 1.2.2	CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

In FYs 2023 and 2024, the Commission will evaluate comments that it receives in response to its actions on credit practices in RTO/ISO regions and decide whether further action is warranted. The Commission will also evaluate the responses to the Order to Show Cause regarding whether the existing tariffs of four market operators may be unjust and unreasonable because they lack certain credit risk management practices for their Financial Transmission Rights markets.

In FY 2023, the Commission will consider the record on the NOI related to the rate recovery, reporting, and accounting treatment of industry association dues and certain civic, political, and related expenses, and determine whether to take further action.

ENERGY MARKETS, CAPACITY MARKETS, AND ANCILLARY SERVICES

FY 2022 RESULTS.

In FY 2022, Commission staff monitored stakeholder discussions concerning each RTO/ISO’s efforts to comply with Order No. 2222 – which was a final rule issued in 2020 that aims to remove barriers to the participation of distributed energy resource aggregations in the capacity, energy, and ancillary service markets operated by RTOs/ISOs. The Commission received compliance filings from each of the Commission-jurisdictional RTOs/ISOs, which propose tariff revisions to implement the requirements of Order No. 2222. In June 2022, the Commission accepted two of the six compliance filings, subject to further compliance.

Following on actions first taken in FY 2021, in FY 2022, the Commission continued to monitor and evaluate developments pertaining to resource adequacy in the Western Interconnection.

In November 2021, the Commission issued an NOI on issues related to reactive power capability compensation. The NOI sought comment on various aspects of the current methodology for compensation; potential alternative methodologies; and reactive power capability compensation through transmission rates for resources that interconnect at the distribution level.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue its evaluation of the participation of distributed energy resource aggregations in RTO/ISO markets. This will include further evaluation of the RTO/ISO compliance filings to Order No. 2222.

In FYs 2023 and 2024, the Commission will continue its monitoring and evaluation of resource adequacy in the Western Interconnection, including consideration of a novel filing by the Western Power Pool under section 205 of the Federal Power to establish a regional resource adequacy construct in the Western Interconnection.

In FYs 2023 and 2024, the Commission will continue its evaluation of reactive power compensation, including analysis of the comments filed in response to the NOI, and decide whether further action is warranted.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	
	Obj 1.2 > CF 1.2.1	CF 2.1.2	CF 3.1.2	
	CF 1.2.2	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
		CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

● Priority Results: Modernizing Electricity Market Design

[Overview](#) | **Action 1**

FY 2022 RESULTS.

In FY 2022, the Commission followed up on steps taken in FY 2021 to understand the challenges and changes in RTO/ISO system needs that are associated with the evolving resource mix and new load profiles, and to identify reforms necessary to modernize these markets. In October 2021, the Commission conducted a fourth technical conference on energy and ancillary services markets (three similar conferences were held in FY 2021). The Commission requested post-technical conference comments in December 2021, and staff reviewed stakeholder initial and reply comments, which were due in February and March 2022, respectively.

Based in part on those post-technical conference comments, in April 2022, the Commission directed each jurisdictional RTO/ISO to submit information to the Commission related to their wholesale markets. The reports will describe: (1) current RTO/ISO system needs given changing resource mixes and load profiles; (2) how each RTO/ISO expects its system needs to change over the next five years and over the next 10 years; (3) whether and how each RTO/ISO plans to reform its energy and ancillary services markets to meet expected system needs over the next five years and over the next 10 years; and (4) information about any other reforms, including capacity market reforms and any other resource adequacy reforms, that would help each RTO/ISO meet changes in system needs.

FYS 2023 AND 2024 PLANNED RESULTS.

In Fys 2023 and 2024, the Commission anticipates continuing its activities related to modernization of jurisdictional markets to manage the challenges posed by the resource and load transition. In response to Commission direction, RTO/ISO submitted reports on these issues in October 2022, with stakeholder comments on those reports due on December 17, 2022. The Commission will review the reports and comments to determine whether further action is appropriate.

Transmission and Transportation

ELECTRIC TRANSMISSION RATES

FY 2022 RESULTS.

The Commission took significant steps during FY 2022 with respect to electric transmission rates. For example, the Commission took steps to consider ways to incentivize cybersecurity investments, working to ensure the reliability of the electric transmission system. In June 2020, Commission staff issued a white paper discussing a potential new framework for providing transmission incentives to utilities for cybersecurity investments; in December 2020, the Commission issued a NOPR specific to cybersecurity incentives. In FY 2022, the Infrastructure Investment and Jobs Act required the Commission to establish, by rule, incentive-based (including performance-based) rate treatments for the transmission of electric energy in interstate commerce and the sale of electric energy at wholesale in interstate commerce by public utilities for the purpose of benefitting consumers by encouraging: (1) investments by public utilities in advanced cybersecurity technology; and (2) participation by public utilities in cybersecurity threat information sharing programs. The Commission is taking steps to meet the deadlines associated with this Congressional directive. On September 22, 2022, the Commission issued a NOPR to

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

establish rules providing incentive-based rate treatment for utilities making certain voluntary cybersecurity investments, which superseded the December 2020 NOPR.

The Commission took additional steps to address electric transmission rates. For example, the Commission issued a final rule, Order No. 881, on managing transmission line ratings in December 2021. In May 2022, the Commission issued Order No. 881-A, which addressed requests for rehearing. In addition, in February 2022, the Commission issued an NOI considering the use of dynamic line ratings.

In July 2022, the Commission issued a NOPR proposing updates to the Commission’s Uniform System of Accounts intended to address many current technological and economic developments, such as the growth in non-hydro renewable generating facilities and renewable energy credits.

In FY 2022, the Commission continued to evaluate the compliance filings made in response to Order No. 864, relating to public utility transmission rate changes to address Accumulated Deferred Income Taxes.

In FY 2022, the Commission also continued its ongoing review of transmission formula rates. The Commission instituted investigations into the transmission formula rate protocols of several public utilities, examining the scope of participation, transparency of information exchange, and the ability of customers to challenge the implementation of the formula rates.

FYS 2023 AND 2024 PLANNED RESULTS.

In Fys 2023 and 2024, the Commission will consider the record on the NOPR related to cybersecurity incentives in light of the requirements of the Infrastructure Investment and Jobs Act.

In Fys 2023 and 2024, the Commission will evaluate the compliance filings from public utilities filed to respond to the requirements of Order No. 881.

In Fys 2023 and 2024, the Commission will consider the record on the NOI related to use of dynamic line ratings and determine whether to take further action.

In Fys 2023 and 2024, the Commission will continue its evaluation of the comments in response to its NOPR on accounting and reporting for certain renewable energy assets and determine whether further action is warranted.

The Commission will continue to process the compliance filings from public utilities as to Order No. 864 and monitor for any tax-related legislation or regulations from other agencies that could warrant Commission action.

The Commission will also resolve the pending public investigations into transmission formula rate protocols. The Commission will also continue to address base return on equity issues in individual cases.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	
	Obj 1.2 > CF 1.2.1	CF 2.1.2	CF 3.1.2	
	CF 1.2.2	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
		CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

● Priority Results: Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix

[Overview](#) | **Action 1**

FY 2022 RESULTS.

In FY 2022, the Commission took significant steps to facilitate the development of electricity infrastructure needed for the changing resource mix. In July 2021, the Commission issued an Advanced Notice of Proposed Rulemaking (ANOPR) on transmission and interconnection infrastructure. The Commission took multiple actions in response to the record that it developed in the ANOPR proceeding in FY 2022. For example, the Commission evaluated comments that it received in response to the July 2021 ANOPR. The Commission also conducted a technical conference designed to solicit more focused public and industry input regarding regional transmission planning and reforms necessary to accommodate the changing resource mix. In April 2022, the Commission issued a NOPR proposing reforms to regional transmission planning and cost allocation.

The April 2022 NOPR addressed a range of issues relating to electric transmission infrastructure. The Commission proposed to require, among other things, that public utility transmission providers: (1) conduct long-term regional transmission planning on a sufficiently forward-looking basis to meet transmission needs driven by changes in the resource mix and demand; and (2) seek the agreement of relevant state entities within the transmission planning region regarding the cost allocation method or methods that will apply to transmission facilities selected in the regional transmission plan for purposes of cost allocation through long-term regional transmission planning. The Commission also proposed to require public utility transmission providers to more fully consider in regional transmission planning and cost allocation processes transmission facilities that incorporate two specific technologies as a more efficient or cost-effective alternative to other regional transmission facilities: dynamic line ratings and advanced power flow control devices.

Based upon the record developed in the ANOPR proceeding, the Commission also took further actions related to interconnection reforms. In June 2022, the Commission issued a NOPR on Improvements to Generator Interconnection Procedures and Agreements. The NOPR focuses on expediting the current process for connecting new electric generation facilities to the grid. The NOPR aims to address significant, current backlogs in interconnection queues by improving interconnection procedures, providing greater certainty, and preventing undue discrimination against new generation. The NOPR also includes proposed reforms that, if adopted in a final rule, could facilitate the interconnection of hybrid/co-located resources. The NOPR proposes to require public utility transmission providers to allow more than one resource to co-locate on a shared site behind a single point of interconnection and share a single interconnection request; to evaluate the proposed addition of a generating facility to an interconnection request as long as the interconnection customer does not request a change to the originally requested interconnection service level; and to allow interconnection customers to access the existing surplus interconnection service process sooner once the original interconnection customer has an executed interconnection agreement or requests the filing of an unexecuted one. It also proposes to require interconnection customers requesting to interconnect a non-synchronous generating facility to require such generating facilities to ride-through abnormal frequency and voltage conditions to address challenges associated with momentary cessation.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	
	Obj 1.2 > CF 1.2.1	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
	CF 1.1.2	CF 2.1.2	CF 3.1.2	
	CF 1.2.2	CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

The Commission took additional steps in FY 2022 to facilitate the development of needed transmission infrastructure. For example, in FY 2022, the Commission organized a series of joint federal-state task force meetings on electric transmission in November 2021, February 2022, May 2022, and July 2022. After each meeting, the Commission invited public comment on the discussion.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue to monitor and evaluate these significant issues. The Commission will evaluate comments to the NOPRs issued in FY 2022, continue public outreach regarding the development of new electric transmission infrastructure and determine whether further action is warranted. For example, on October 6, 2022, the Commission held a technical conference on transmission planning and cost management, and on December 5-6, 2022, the Commission held a workshop on establishing interregional transfer capability transmission planning and cost allocation requirements.

In FYs 2023 and 2024, the Commission will continue its efforts related to the task force meetings on electric transmission issues with its state partners. A fifth meeting of the joint federal-state task force on electric transmission was held on November 15, 2022. The Commission will continue to evaluate the feedback from the public related to these matters to help inform whether further Commission action is appropriate.

GAS TRANSPORTATION/STORAGE RATES

FY 2022 RESULTS.

In FY 2022, the Commission conducted its annual review of the justness and reasonableness of interstate natural gas pipeline rates by analyzing cost and revenue information included in the pipelines’ FERC Form No. 2 annual reports. In FY 2022, the Commission instituted several investigations under NGA section 5 regarding individual pipelines’ existing rates. In May 2022, the Commission issued a NOPR proposing changes to how NGA section 4 rate case filings (requests to change rates) submitted by interstate natural gas pipelines are filed. The NOPR proposed to revise and update the Commission’s policies and would require natural gas pipelines to submit all supporting statements, schedules, and workpapers in a “native format,” (e.g., Excel) with all links and formulas intact.

In April 2022, the Commission issued a revised policy statement to encourage more market participants to report their transactions to price index developers, to provide greater transparency into the natural gas price formation process, and to increase confidence in the accuracy and reliability of wholesale natural gas prices.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue its annual review of the justness and reasonableness of interstate natural gas pipeline rates by analyzing cost and revenue information included in the pipelines’ FERC Form No. 2 annual reports.

In November 2022, the Commission issued a Final Rule adopting the proposal in the May 2022 NOPR on NGA section 4 filing requirements. In FYs 2023 and 2024, the Commission will monitor compliance with the new requirements.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	
	Obj 1.2 > CF 1.2.1	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
	CF 1.1.2	CF 2.1.2	CF 3.1.2	
	CF 1.2.2	CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

In FYs 2023 and 2024, the Commission will consider further action as to the formation of physical natural gas price indices, including evaluating reapproval requests filed by price index developers in response to the April 2022 revised policy statement.

OIL TRANSPORTATION RATES

FY 2022 RESULTS.

In December 2020, the Commission issued an order on the five-year review of the oil pipeline index to determine the methodology to be used for the calculation of the annual oil pipeline index for 2021–2025. The Commission subsequently issued orders on rehearing in January 2022 and May 2022 further revising the annual oil pipeline index for 2021–2025. In the first half of 2022, the Commission processed the compliance filings associated with the new index.

In February 2022, the Commission issued an NOI related to ongoing issues involving allocation of oil pipeline capacity during anomalous circumstances, including the effects of COVID-19 on airlines’ access to pipelines that use historical prorating.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission will continue to evaluate these issues in FYs 2023 and 2024 to determine whether further action is warranted. In October 2022, the Commission issued a policy statement regarding the standard applied to complaints against oil pipeline index changes, an evaluation that was initiated in FY 2020.

The Commission will also continue to address the base return on equity, income tax allowance issues, and other rate issues for oil pipelines presented in pending proceedings.

Electric Merger and Other Corporate Transactions

FY 2022 RESULTS.

In FY 2022, the Commission continued to monitor developments and trends in electric merger and other corporate transactions.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue to monitor developments and trends in this area to determine if changes to Commission policy or practices should be further evaluated.



Conduct Outreach and Information Sharing

FY 2022 RESULTS.

In FY 2022, Commission staff issued an annual report on the Assessment of Demand Response and Advanced Metering. Commission staff also held an industry software conference. In FY 2022, Commission staff also produced public reports, including the Annual State of the Market Report and the Summer and Winter Seasonal Assessments on market performance and long-term market trends, providing meaningful insight to the public on energy markets.

Commission staff also continued its regular outreach to independent market monitors for RTOs/ISOs to review the impact of approved market rule changes or other market events. Finally,

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	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	
	CF 1.1.2	CF 2.1.2	CF 3.1.2	
	Obj 1.2 > CF 1.2.1	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
	CF 1.2.2	CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

Commission staff continued to hold international information exchanges in FY 2022, including the joint FERC-State Department Flexible Resources Initiative with India, and video conferences with European Commission’s Directorate-General for Energy and its Agency for the Cooperation of Energy Regulators.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue to monitor and evaluate potential next steps for the Common Metrics Report, as well as new issues as they emerge. Commission staff expects to issue an annual report on the Assessment of Demand Response and Advanced Metering in FY 2023. Commission staff also expects to hold industry software conferences in both FYs 2023 and 2024. In FYs 2023 and 2024, Commission staff will continue to produce public reports such as the Annual State of the Market Report, as well as Seasonal Assessments on market performance and long-term market trends to provide meaningful insight to the public on energy markets.

Commission staff will also continue to conduct regular outreach to independent market monitors for RTOs/ISOs to review the impact of approved market rule changes or other market events. Finally, Commission staff also plan to continue international information exchanges in FYs 2023 and 2024.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	
	Obj 1.2 > CF 1.2.1	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
	CF 1.1.2	CF 2.1.2	CF 3.1.2	
	CF 1.2.2	CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

GOAL 1 > OBJECTIVE 1.1 > CORE FUNCTION 1.1.2

Analyze and act on filings in a fair, clear, and timely manner.

PURPOSE OF THE CORE FUNCTION

To take appropriate action on filings made to the Commission.

Ensure that **consumers/stakeholders**:




- Have access to energy and related jurisdictional services at a reasonable rate.
- Are able to voice their concerns and challenge filings.
- Receive due process.

Ensure that **jurisdictional entities**:

- Have an opportunity to recover their costs, earn a reasonable return on their investments, and react to changing market and industry conditions.
- Understand FERC’s decisions and the basis on which they were made.
- Implement FERC’s orders and regulations.
- Receive due process.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
 <p>Analyze and Act on Filings</p>	<ul style="list-style-type: none"> ▪ Allow the Commission to act in a timely, informed, and transparent manner on the filings it receives.
 <p>Conduct Settlement Judge Procedures</p>	<ul style="list-style-type: none"> ▪ Limit the time, expense, and resources the Commission and outside parties devote to litigation. ▪ Reduce the likelihood of Commission decisions being appealed to the courts. ▪ Increase business certainty, which facilitates investment in needed energy infrastructure. ▪ Provide ratepayers with just and reasonable rates and terms and conditions of service in a timely manner.
 <p>Conduct Hearing Procedures</p>	<ul style="list-style-type: none"> ▪ Provide parties with due process and fair representation. ▪ Ensure that Commission decisions are based on full, complete, and transparent information. ▪ Provide ratepayers just and reasonable rates and terms, and conditions of service, in a timely manner.

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Past and Planned Results



Analyze and Act on Filings

RATE FILINGS

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ESTIMATE	FY 2024 ESTIMATE
Electric	5,397	5,769	5,738	6,279	6,350	6,500
Gas	1,933	1,463	1,363	1,509	1,550	1,600
Oil	875	916	837	1,009	1,000	1,000

FY 2022 RESULTS.

Included in the electric filings shown in the table above, in FY 2022, the Commission processed approximately 3,400 filings regarding electric market-based rate authority, and approximately 2,860 proposals for electric cost-based rates; electricity market rule changes; and rates, terms and conditions of jurisdictional electric service.

As reflected in the table above, the Commission also processes rate filings submitted by natural gas pipeline companies, including applications for approval of cost-based rates; negotiated rates; market-based rates; and rates, terms, and conditions of service. The natural gas and oil filings reflected above also include a variety of other types of rate-related filings made by natural gas and oil pipeline companies, such as complaints, waiver requests, and oil-related petitions for declaratory order, which address rate structures for significant and new capacity pipeline projects.

FYS 2023 AND 2024 PLANNED RESULTS.

The table above also shows the estimated number of rate filings for FYs 2023 and 2024. The Commission does not have control over the number of filings from industry or third parties. Moreover, the number of yearly filings is a function of multiple factors that make it difficult to predict how many filings the Commission will receive in future years. Accordingly, rather than anticipating a specific number of filings in any given year, the Commission plans to maintain sufficient resources in FYs 2023 and 2024 to process a similar number of filings as in prior years, adjusted based on best estimates. The Commission will continue to dedicate significant resources to the analysis of rate and tariff filings, including those made pursuant to FPA section 205, NGA section 4, and Interstate Commerce Act section 6, consistent with its statutory authority.



Conduct Settlement Judge Procedures

FY 2022 RESULTS.

In FY 2022, settlement judges convened 317 settlement conferences and certified or reported 66 full or partial settlements to the Commission for final review and approval. Commission Trial Staff used its expertise in engineering, finance, depreciation, market power, cost-of-service, and rate-design matters in negotiations with regulated entities and intervenors to reach settlement

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agreements. Those settlements represented approximately 84 percent of the proceedings that were set for hearing and/or settlement judge procedures. With participation ranging from two to 250 or more parties, negotiations took an average of six to nine months to complete and involved primarily rates and market rules applications.

During FY 2022, the dispute resolution staff (including the Landowner Helpline) successfully resolved 65 disputes.

FYS 2023 AND 2024 PLANNED RESULTS.

While the Commission determines the cases that are set for hearing and settlement judge procedures, these decisions are functions of the filings, requests, and issues put before it. Thus, the Commission does not plan for a particular number of cases to be set for hearing and settlement judge procedures. Similarly, although the Commission may encourage settlements, it is up to the parties, with guidance from a settlement judge and participation by Commission Trial Staff, to reach an agreement. Accordingly, in FYs 2023 and 2024, the Commission will monitor its workload to ensure sufficient resources are available.



Conduct Hearing Procedures

FY 2022 RESULTS.

In FY 2022, presiding judges convened eight hearings and issued twelve initial decisions. The records in those cases consisted of a total of 4,273 exhibits and 26,848 pages of hearing transcripts. Due to the COVID-19 pandemic, three of the eight hearings were conducted virtually.

In FY 2022, Commission Trial Staff actively participated through direct and cross-examination of witnesses and argument on motions in nine hearings, including the eight hearings convened by the presiding judges in FY 2022 and one ongoing hearing, initially convened in FY 2021. Commission Trial Staff also filed 47 pieces of expert testimony and 41 pre- and post-hearing briefs. Commission Trial Staff also filed 79 initial comments and 21 reply comments on settlements submitted to resolve issues set for hearing by the Commission.

FYS 2023 AND 2024 PLANNED RESULTS.

While the Commission determines the cases that are set for hearing and settlement judge procedures, these decisions are a function of the filings, requests, and issues put before it. Thus, the Commission does not plan for a particular number of cases to be set for hearing and settlement judge procedures. Similarly, although the Commission may encourage settlements, it is up to the parties, with guidance from a settlement judge and participation by Commission Trial Staff, to reach an agreement. Accordingly, in FYs 2023 and 2024 the Commission will monitor its workload to ensure sufficient resources are available.

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Goal 1 > Objective 1.2

Overview and Priority

OBJECTIVE 1.2: Promote compliance with FERC rules, including by detecting and deterring market manipulation.

CORE FUNCTION 1.2.1: Assess compliance and financial filings of regulated entities.

CORE FUNCTION 1.2.2: Monitor market activity and explore potential violations.

● Promoting a Strong and Robust Enforcement Program

Priority Overview

This priority concerns the need for a rigorous and robust enforcement program to meet new compliance challenges resulting from the increasing complexity in energy markets. Vigilant monitoring and strong oversight, combined with timely actions against manipulative activity, are necessary to stay ahead of the new compliance challenges and effectively detect and deter market manipulation and anticompetitive conduct that threatens the integrity of energy markets. The Commission will address this priority through an integrated set of initiatives designed to develop stronger enforcement tools and resources that enable FERC to detect, deter, and pursue violations more effectively.

The Commission’s actions and expected results are described more fully in the following sections.

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Action Index Table

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
1.2.1: Assess compliance and financial filings of regulated entities.	Assess, Analyze, and Administer Electric, Natural Gas, and Oil Forms	1. Gain access to additional information necessary for analytical work.	<u>36</u>
	Conduct Surveillance of Natural Gas and Electric Markets	2. Prioritize the use of new technology to enhance surveillance work.	<u>39</u>
1.2.2: Monitor market activity and explore potential violations.	Conduct Investigations	3. Undertake an initiative to impose a Duty of Candor requirement on all entities participating in Commission-jurisdictional markets and activities.	<u>40</u>
	Conduct Enforcement Proceedings	4. Explore ways to improve the Commission’s penalty determination process by making the penalty guidelines applicable to a wider range of violations, including violations related to natural gas certificates.	<u>43</u>

Performance Goal: *Ensure oversight and enforcement requirements are up to date and data is accessible.*

Performance Indicator: Milestones achieved within established timeframe	Target:	FY 2022	FY 2023	FY 2024
		Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	Actual:	Target Met	To be determined	To be determined

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				CF 3.1.2
				CF 3.2.2

GOAL 1 > OBJECTIVE 1.2 > CORE FUNCTION 1.2.1

Assess compliance and financial filings of regulated entities.

PURPOSE OF THE CORE FUNCTION

To maximize compliance of jurisdictional entities with FERC orders, policies, and regulations.

Ensure that **consumers/stakeholders** have increased confidence in:




- The market and the ability of FERC’s orders and policies to ensure just and reasonable rates, terms, and conditions.
- FERC’s ability to ensure compliance with its orders and policies.

Ensure that **jurisdictional entities**:

- Are aware of existing and emerging compliance issues/factors and understand how to achieve compliance.
- Are maintaining compliance and addressing compliance issues on an ongoing basis.
- Have increased confidence in the market and the ability of FERC’s orders and policies to ensure just and reasonable rates, terms, and conditions.

Overview

This core function includes the following workstreams and related impacts.

Workstream		▪ Impacts
Conduct Compliance, Operational, Financial, and Other Audits		▪ Increase compliance by informing regulated entities of areas of noncompliance and providing encouragement, guidance, and specific recommendations for steps to take to move back into compliance.
Establish Accounting Policies and Analyze Financial Filings		<ul style="list-style-type: none"> ▪ Inform market rule changes or other Commission actions. ▪ Ensure that market rules are effective and practicable for those who must follow them.
Assess, Analyze, and Administer Electric, Natural Gas, and Oil Forms*		<ul style="list-style-type: none"> ▪ Ensure that jurisdictional entities comply with requirements to file electric quarterly reports (EQRs) and other forms by alerting companies of incomplete, erroneous, or absent filings and providing general guidance regarding filing requirements. ▪ Provide necessary information to the Commission to exercise its market oversight responsibilities.

* Workstream contributes towards Strategic Priority.

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Past and Planned Results



Conduct Compliance, Operational, Financial, and Other Audits

FY 2022 RESULTS.

In FY 2022, the Commission completed 12 audits of public utility, natural gas, and oil companies covering a wide array of topics. These audits resulted in 51 findings of noncompliance and 258 recommendations for corrective action, 99 percent of which were implemented within six months of the audit report issuance. The audits also directed approximately \$158 million in refunds and other recoveries including \$19 million to be refunded to jurisdictional customers and \$139 million that was prevented from being inappropriately amortized and collected through future rates. These refunds and other recoveries addressed findings concerning, among other subjects, the improper application of merger-related costs; lobbying, charitable donation, membership dues, and employment discrimination settlement costs; improper labor overhead capitalization rates; accounting for production-related or distribution-related expenses as general or transmission-related expenses; pending income tax refunds being treated as prepayments; and compliance with the Commission’s Allowance for Funds Used During Construction regulations.

FYS 2023 AND 2024 PLANNED RESULTS.

The major topic areas of the Commission audits anticipated for FYs 2023 and 2024 include energy market operations, transmission formula rates and FERC Form No. 1 reporting, market-based rates, reliability, affiliate transactions, mergers and acquisitions, fuel adjustment clauses, open access transmission tariffs, open access same-time information systems, natural gas tariffs and FERC Form No. 2 reporting, oil pipeline tariffs and FERC Form No. 6 reporting, and other accounting and financial reporting matters.

In FY 2023, the Commission expects to conclude a significant number of the audits that were open as of September 30, 2022. In addition, the Commission expects to commence in FY 2023 12 audits. The Commission expects to commence a similar number of audits in FY 2024, consistent with its historical range of audit commencements.

Finally, the Commission will continue to work with entities to facilitate the prompt and effective understanding and implementation of audit recommendations. As such, the Commission expects to see a high success rate of implemented corrective actions continue into FYs 2023 and 2024.



Establish Accounting Policies and Analyze Financial Filings

FY 2022 RESULTS.

The Commission acted on 427 proceedings, including 211 accounting filings requesting approval of a proposed accounting treatment or financial reporting matter and 216 rate, pipeline certificate, merger and acquisition, and debt and security issuance proceedings before the Commission. These proceedings had cost-of-service rate implications, such as accounting for mergers and divestitures, asset transactions, early plant retirements, Allowance for Funds Used During

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Construction, pensions and other post-retirement benefits, and income taxes. In addition, the Commission staff responded to 191 accounting inquiries.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission expects to complete a similar number of accounting and inquiry responses. The Commission also expects to issue accounting guidance on emerging topics, which may result in rulemaking proceedings to amend the Commission’s accounting regulations and financial reporting requirements. However, the number of accounting projects in a given year can vary, depending on the number of industry requests for Commission action. The Commission expects FYs 2023 and 2024 to be similar to FY 2022, with no external impediments to Commission work.



Assess, Analyze, and Administer Electric, Natural Gas, and Oil Forms

FY 2022 RESULTS.

In FY 2022, the Commission received EQR submittals from over 3,000 entities each quarter. In addition to ensuring the timely submission of these reports, the Commission employed an automated validation process to help assess the data’s accuracy and reliability. The Commission also ensured the timely submission of FERC Form Nos. 1, 1-F, 2, 2-A, 3-Q (gas and electric), 6, 6-Q, 60, and FERC-61, totaling approximately 2,500 individual submittals.

The Commission utilizes EQR submittals to conduct ex post analytical reviews of wholesale electric market-based rate transactions to detect the potential exercise of market power. Staff conducted several inquiries into individual companies flagged by ex post market power indicators and analyzed significant market events such as price spikes during heat events. In addition, coordination with other Commission offices resulted in the use of ex post analysis to support several docketed proceedings. The Commission significantly improved the data and tools it uses to identify market power issues and analyze specific sellers or concerns as part of these ex-post reviews. For example, staff improved estimated cost metrics used in several market power indicators and developed liquidity measures to monitor trends in market activity. Staff also continued to improve and expand their dashboards to analyze and visually display relevant data dynamically and improved outlier detection methods to identify potential EQR data quality issues. Lastly, staff continued to improve access to and analysis of transmission data to identify periods and locations of significant congestion.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission will continue its compliance efforts to ensure the timely submission of EQRs and FERC forms while also promoting the accuracy of the data. The Commission anticipates a similar number of EQR filings, FERC form filings, and ex post inquiries in both FYs 2023 and 2024.

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Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

● Priority Results: Promoting a Strong and Robust Enforcement Program

[Overview](#) | [Action 1](#) | [Action 2](#) | [Action 3](#) | [Action 4](#)

FY 2022 RESULTS.

In FY 2022, the Commission continued to support filers with the transition to a new format for filing FERC forms based on eXtensible Business Reporting Language (XBRL). The use of XBRL is designed to provide filers and the Commission with a more easily accessible data system, while also increasing data accuracy through a robust set of rules and validations.

In addition, Commission staff continued to work on formulating possible revisions to the current EQR data collection based, in part, on industry feedback at previous technical conferences.

FYS 2023 AND 2024 PLANNED RESULTS.

During FYs 2023 and 2024, staff will continue working on the multi-year EQR reassessment effort. In FY 2023, staff will incorporate feedback collected from industry during a series of technical conferences (held in FYs 2021 and 2022) into a finalized proposal to revise and modernize the fields in the EQR data collection as well as transition to a new XBRL-based EQR filing platform. In FY 2024, staff expect to begin implementing revisions adopted by the Commission to the data collection and developing the new filing platform if appropriate. The goals of this reassessment effort include modernizing and streamlining the filing process for both filers and the Commission, and increasing the quality of the EQR data, which will enhance the Commission’s market monitoring and surveillance capabilities.

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GOAL 1 > OBJECTIVE 1.2 > CORE FUNCTION 1.2.2

Monitor market activity and explore potential violations.

PURPOSE OF THE CORE FUNCTION

To promote fair and competitive markets for energy market participants and consumers.

Ensure that **consumers/stakeholders**:




- Have increased confidence in the market and the ability of FERC’s orders and policies to ensure just and reasonable rates, terms, and conditions.
- Experience minimal financial burden due to fraud, market manipulation, and other anti-competitive conduct.

Ensure that **jurisdictional entities**:

- Are deterred from engaging in market manipulation or anti-competitive conduct.
- Are able to operate on a level playing field and experience fair competition.
- Have increased confidence in the market and the ability of FERC’s orders and policies to ensure just and reasonable rates, terms, and conditions.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
 <p>Conduct Surveillance of Natural Gas and Electric Markets*</p>	<ul style="list-style-type: none"> ▪ Deter market manipulation across the FERC-jurisdictional energy markets.
 <p>Conduct Investigations*</p>	<ul style="list-style-type: none"> ▪ Produce a fair resolution of each investigation, including closure of that investigation, a settlement, or a move to an enforcement proceeding.
 <p>Conduct Enforcement Proceedings*</p>	<ul style="list-style-type: none"> ▪ Ensure entities or individuals who violate rules are held accountable. ▪ Act as a deterrent to fraud, market manipulation, and other violations.

* Workstream contributes towards Strategic Priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
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Past and Planned Results



Conduct Surveillance of Natural Gas and Electric Markets

FY 2022 RESULTS.

In FY 2022, the Commission reviewed approximately 16,766 screen trips produced by its natural gas surveillance screens, along with other observed anomalous market outcomes of potential concern and was able to dismiss most of the screen trips as consistent with concurrent market conditions. The Commission then conducted a more thorough review on the remaining screen trips and classified specific screen trips and market activity as 1,514 documented “surveillance alerts” that ranged in severity from low to high concern. When concerns persisted, the Commission conducted a surveillance inquiry, which in some cases involved contacting market participants for additional information or to discuss the conduct at issue. In FY 2022, the Commission closed the four inquiries that were still pending at the end of FY 2021 with no referral and conducted 26 new natural gas surveillance inquiries. Of these 26 inquiries, 24 were closed with no referral, and two remain open with Commission staff continuing its analytic work.

In FY 2022, the Commission also ran and reviewed, on a monthly basis, 100 electric surveillance screens; monthly, hourly, and intra-hour sub-screens; and reports for over 44,000 hub and pricing nodes within the six ISOs/RTOs. Additionally, the Commission screened non- ISO/RTO markets and cross- ISO/RTO portfolio trades for potential manipulation. In FY 2022, after reviewing these electric screen trips, the Commission conducted 32 electric surveillance inquiries. Of these inquiries, two were referred for investigation, 26 were closed with no referral, and four remain open with Commission staff continuing its analytic work.

FYS 2023 AND 2024 PLANNED RESULTS.

The number of surveillance alerts received is partially dependent on external market factors and may vary due to market or weather events. Higher numbers of alerts should not typically lead to higher numbers of inquiries because the Commission eliminates false alarms through analysis. However, events that create additional alarms can slightly decrease capacity due to the time needed to check statistics and review reports. In FYs 2023 and 2024, the Commission does not anticipate any changes to the volume of work based on known factors and will be prepared and able to respond effectively to alerts and inquiries.

The Commission often reaches out to market participants as part of its surveillance inquiries to discuss trading activities and to obtain additional non-public data. This frequent interaction between Commission staff and market participants has been positive and productive, often eliminating the need for an investigation. This reduces the burden on industry and the Commission. As these interactions continue, market participants will become more familiar with the inquiry process and better prepared to respond effectively to the Commission’s requests. This should lead to further efficiency in FY 2024.

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Priority Results: Promoting a Strong and Robust Enforcement Program

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FY 2022 RESULTS.

Commission staff will prioritize the use of new technology to enhance its surveillance work. The Commission’s data governance organization is actively building out FERC’s data analytics platform in a cloud environment to orchestrate shared data services, data technologies, and dashboards across the Commission. In FY 2022, Commission staff continued to examine how to utilize this new technology and cloud environment to enhance the efficiency and effectiveness of its surveillance program. As part of that effort, in FY 2022 the Commission began to test two cloud-based analytics engines that will be used for surveillance screening and analysis in the new cloud environment. In this process and to demonstrate capability, Commission staff deployed several production analyses onto the new analytics platforms. Commission staff also identified key data assets for migration to the cloud. In addition, the Commission continued exploring other technologies that would improve how it receives, processes, and utilizes the data required for surveillance of the natural gas and electricity markets.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission is targeting the end of FY 2023 to migrate the Commission’s key data assets into the cloud. Once the data is stable and tested in the cloud, Commission staff will begin to migrate surveillance screening and analysis from on-premises analytics platforms to cloud-based analytics platforms. In this migration effort, staff will also refactor existing surveillance screening and analysis codebases to take advantage of the cloud-based analytics platforms, thereby improving the implementation of the analyses while preserving functionality. Staff anticipates focusing on surveillance screen and analysis migration efforts in FY 2024. Throughout this time, Commission staff will evaluate, deploy, and test other cloud-based technologies that would improve how the Commission receives, processes, and utilizes the data required for surveillance of the natural gas and electricity markets.



Conduct Investigations

FY 2022 RESULTS.

In FY 2022, the Commission had the following five investigation and enforcement priorities: (1) fraud and market manipulation; (2) serious violations of reliability standards; (3) anticompetitive conduct; (4) threats to the nation’s energy infrastructure and associated impacts on the environment and surrounding communities; and (5) conduct that threatens the transparency of regulated markets.

In FY 2022, Commission staff opened 21 new investigations and closed 7 investigations without action. As a comparison, Commission staff opened 12 new investigations and closed four without action in FY 2021. In FY 2022, the Commission approved 11 settlement agreements to resolve pending enforcement matters, including seven investigations and two federal district court matters. The settlements totaled \$23,593,372 in civil penalties and disgorgements of \$33,923,290. As a comparison, the Commission approved nine settlements in FY 2021, totaling more than \$5,900,000 in civil penalties and nearly \$2,000,000 in disgorgement.

INTRO	GOAL 1		GOAL 2			GOAL 3			APPENDICES	
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	Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

The Commission received 240 Enforcement Hotline inquiries in FY 2022, compared to the 184 inquiries in FY 2021. Nearly all inquiries resulted in prompt, informal resolution. The Commission received 124 self-reports in FY 2022, as compared to the 146 self-reports received in FY 2021. Commission staff has closed the vast majority of these self-reports without enforcement action. The Commission received 18 referrals from market monitors in FY 2022, as compared to the 14 it received in FY 2021.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission expects its investigation and enforcement priorities to remain the same. However, the priorities may change if there is a regulatory change or a major violation of existing rules and regulations that reveals new areas of concern.

The Commission expects Enforcement Hotline inquiries and self-reports to remain steady. The Commission may receive more referrals in FYs 2023 and 2024 from market monitors than in previous years, as coordination continues to improve. This results in a pattern of increased and higher-quality referrals that may lead to more investigations being opened.

● Priority Results: Promoting a Strong and Robust Enforcement Program

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FY 2022 RESULTS.

In FY 2022, the Commission continued to detect, deter, and pursue sanctions for violations of the Commission’s Duty of Candor rule, 18 C.F.R. § 35.41(b). Included in the 21 new investigations noted above, seven of those investigations included potential misrepresentations prohibited by the Duty of Candor rule. This represented roughly 33 percent of investigations opened in FY 2022. Included in the eight settlements approved by the Commission that resolved investigations in FY 2022, two of those settlements involved violations of the Duty of Candor rule. In addition, the Commission continued to pursue a Duty of Candor rule violation in its federal district court case against Coaltrain in the District Court for the Southern District of Ohio.

In addition, during FY 2022 the Commission issued a NOPR that proposes to strengthen and broaden its Duty of Candor Rule to require that all entities communicating with the Commission or other specified organizations related to a matter subject to the jurisdiction of the Commission submit accurate and factual information and not submit false or misleading information or omit material information. The proposed regulation aims to strengthen the Commission’s ability to require accurate and truthful communications with the Commission, Commission staff, and other organizations that the Commission relies on to assist in carrying out its regulatory responsibilities. The intent is to enable the Commission to get more accurate information and to be able to penalize entities that provide inaccurate information.

FYS 2023 AND 2024 PLANNED RESULTS.

During FYs 2023 and 2024, the Commission plans to take appropriate investigation and enforcement actions to further this priority.

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Conduct Enforcement Proceedings

FY 2022 RESULTS.

In FY 2022, Enforcement staff continued litigating four matters in United States district courts to enforce the Commission’s penalty assessments under the FPA. Those district court litigation matters were:

- *FERC v. Powhatan Energy Fund LLC et al.* (E.D. Va.): In 2015, the Commission filed this action to enforce its penalty assessment after determining that the Defendants had violated the Commission’s Anti-Manipulation Rule by engaging in fraudulent Up-To Congestion trades in the PJM market during the summer of 2010. After engaging in discovery during FY 2021, the Commission reached a settlement early in FY 2022 with three of the defendants for \$600,000 in disgorgement. The remaining defendant, Powhatan Energy Fund, filed for bankruptcy in the United States Bankruptcy Court for the District of Delaware during FY 2022 and, shortly thereafter, the district court stayed the litigation pending the bankruptcy proceeding.
- *FERC v. Coaltrain Energy L.P. et al.* (S.D. Ohio): In 2016, the Commission filed this action to enforce its penalty assessment after determining that the Defendants violated the Commission’s Anti-Manipulation Rule by engaging in fraudulent Up-To Congestion trades in the PJM market during the summer of 2010. In FY 2022, after the Court set the case for trial, the parties participated in a mediation that resulted in a signed settlement agreement, which was pending before the Commission when FY 2022 ended.
- *FERC v. Vitol Inc et al.* (E.D. Cal.): In 2020, the Commission filed this action to enforce its penalty assessment after determining that the Defendants violated the Commission’s Anti-Manipulation Rule and section 222 of the FOA by selling physical power at a loss in October and November 2013 in the California Independent System Operator day-ahead market for the purpose of eliminating congestion costs that they expected to cause losses on Vitol’s Congestion Revenue Rights positions. During FY 2022, the Court denied Vitol’s motion to dismiss, rejecting arguments that (1) the case is barred by the statute of limitations, and (2) the Commission failed to state a claim under the Anti-Manipulation Rule. Defendants then filed an appeal in the U.S. Court of Appeals for the Ninth Circuit on the statute of limitations ruling. The appeal was pending during FY 2022, while the parties engaged in discovery in the district court matter.
- *FERC v. GreenHat et al.* (E.D. Pa.): During FY 2022, the Commission filed this action to enforce its penalty assessment after determining that the Defendants violated the Commission’s Anti-Manipulation Rule and the PJM tariff in PJM’s Financial Transmission Rights market. On Friday, August 19, 2022, the Commission approved two settlements resolving the Commission’s claims against all Defendants in this matter, specifically, GreenHat and its owners, John Bartholomew, Kevin Ziegenhorn, and Andrew Kittell (represented by his Estate). Under the terms of the two agreements, the Defendants collectively agreed to pay PJM \$1.375 million in restitution. These amounts were based on their inability to pay a larger amount. The settlement with the Kittell estate is not final until it is approved by the probate court, which

INTRO	GOAL 1		GOAL 2			GOAL 3			APPENDICES	
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has scheduled a hearing on the matter in FY 2023. In addition, GreenHat agreed to a \$179 million consent judgment in favor of PJM in a related lawsuit in Texas state court. Finally, the individual Defendants, Bartholomew and Ziegenhorn, are barred from trading in PJM markets for life, and from trading in any other FERC-jurisdictional market for 10 years.

Enforcement staff is also litigating a matter before an administrative law judge (ALJ) regarding alleged violations of the NGA. That matter is:

- *Total Gas & Power North America, Inc., Total, S.A., Total Gas & Power, Ltd., Aaron Hall, and Therese Tran f/k/a/ Nguyen*, Docket No. IN12-17: Following the Commission’s issuance of an Order to Show Cause in FY 2016, and subsequent briefing, in FY 2021 the Commission ordered a hearing before a FERC ALJ to determine whether Respondents are liable for manipulating the price of natural gas at four locations between June 2009 and June 2012. The hearing order also directed the ALJ to determine facts relevant to applying the Commission’s Penalty Guidelines. In FY 2022, the parties pre-filed written expert testimony and exhibits, and conducted discovery, which will continue into early FY 2023. A hearing is scheduled to commence in FY 2023.

In addition to these district court and ALJ proceedings, the Commission acted on several Order to Show Cause proceedings during FY 2022. These proceedings were:

- *Rover Pipeline, LLC*, Docket No. IN17-4-000: In FY 2022, the Commission issued an Order to Show Cause directing Respondents to explain why they should not pay a penalty of \$40,000,000 for violating the NGA, Commission regulations, and a Commission order by (1) intentionally including diesel fuel, other toxic substances, and unapproved additives in the drilling mud during its drilling operations under the Tuscarawas River in Stark County, Ohio, (2) failing to adequately monitor the right-of-way at the site of the Tuscarawas River drilling operation, and (3) improperly disposing of inadvertently released drilling mud that was contaminated with diesel fuel and hydraulic oil. The matter is pending before the Commission.
- *Rover Pipeline, LLC*, Docket No. IN19-4-000: In FY 2022, the Commission ordered a hearing before an ALJ to determine whether Respondents violated Commission regulations by misleading the Commission about a historic farmstead in its Application for a Certificate of Public Convenience and Necessity and attendant filings. However, in FY 2022 the hearing was stayed pending a relevant Supreme Court case to be heard during FY 2023.
- *Ampersand Cranberry Lake Hydro LLC*, Docket No. P-9685-036: During FY 2022, the Commission issued an Order to Show Cause and then, after briefing, assessed a civil penalty of \$600,000 against Respondent for violating its project license by failing to retain the possession of all project property covered by the license. The project has a high hazard dam, meaning that a failure of the project works would result in a probable loss of human life. Commission staff had repeatedly ordered Respondent to make certain repairs to address dam safety issues before it lost possession of the project property.

FYS 2023 AND 2024 PLANNED RESULTS.

INTRO	GOAL 1		GOAL 2			GOAL 3			APPENDICES	
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	Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

Of the four district court proceedings described above, two (Powhatan Energy Fund LLC and GreenHat), are expected to be fully resolved in FY 2023. One (Vitol Inc.) is expected to continue into FY 2023 and possibly longer. And the fourth, the Coaltrain matter, was resolved early during FY 2023. There also are several Order to Show Cause proceedings pending before the Commission, from Commission action in FY 2022 and earlier years, that may be resolved in FYs 2023 or 2024.

The level of activity in FYs 2023 and 2024 is expected to increase as the matters pending before the Commission and the federal courts move toward and possibly reach trial.

● Priority Results: Promoting a Strong and Robust Enforcement Program

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FY 2022 RESULTS.

In FY 2022, the Commission continued to pursue appropriate penalties in its enforcement proceedings through consideration of (1) factors required by statute (seriousness of violations and the efforts to remedy them in a timely manner); (2) the Commission’s Penalty Guidelines; and (3) factors listed in the Commission’s Revised Policy Statement on Enforcement.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission will explore how to ensure that appropriate penalties are assessed for all types of violations under the Commission’s jurisdiction. The intent is to make the penalty process more efficient by providing more methods to tailor penalties to specific types of cases. In FY 2023, the Commission will consider options for improving its penalty determination process for all types of violations. In FY 2024, the Commission will take appropriate actions in furtherance of this priority.

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Goal 2

Overview and Funding Summary

GOAL 2: Ensure Safe, Reliable, and Secure Infrastructure Consistent With the Public Interest

OBJECTIVE 2.1: Facilitate benefits to the nation through the review of energy infrastructure proposals, including natural gas and hydropower.

OBJECTIVE 2.2: Minimize risks to the public associated with FERC-jurisdictional energy infrastructure.

Strategic Goal and Objectives <i>(Dollars in thousands)</i>		FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 REQUEST	PERCENT CHANGE FY23 TO FY24
Objective 2.1	FTE	239	248	259	4.5%
	Funding	\$77,511	\$86,613	\$92,238	6.5%
Program		52,840	57,027	62,008	8.7%
Support		24,671	29,585	30,231	2.2%
Objective 2.2	FTE	240	251	254	1.2%
	Funding	\$75,670	\$86,149	\$89,738	4.2%
Program		50,863	56,202	60,109	7.0%
Support		24,808	29,947	29,630	-1.1%
GOAL 2 SUBTOTAL	FTE	480	498	512	2.8%
	Funding	\$153,181	\$172,762	\$181,976	5.3%
Application of PY Budget Authority		-	-	(7,064)	
GOAL 2 TOTAL	Funding	\$153,181	\$172,762	\$174,912	1.2%

Note: Numbers may not add up due to rounding.

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Goal 2 > Objective 2.1

Overview and Priority

OBJECTIVE 2.1: Facilitate benefits to the nation through the review of energy infrastructure proposals, including natural gas and hydropower.

CORE FUNCTION 2.1.1: Conduct thorough and timely technical review of applications to construct, operate, or modify natural gas and hydropower infrastructure.

CORE FUNCTION 2.1.2: Assess compliance with environmental mitigation conditions in FERC orders during construction and operation of natural gas and hydropower infrastructure.

● Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects

Priority Overview

This priority speaks to the increasing threats to the nation’s energy infrastructure due to climate change as well as growing concerns of adverse impacts to environmental justice communities. It also responds to recent Executive Orders that have conveyed a renewed federal commitment to considering the greenhouse gas emission impacts of federal permitting decisions and to addressing equity and environmental justice implications of agency actions related to underserved communities. The Commission will address this priority through an integrated set of initiatives designed to balance economic, environmental, and equity factors. Additionally, this priority discusses the Commission’s commitment to ensure that licensees of hydropower projects can maintain compliance with the terms of their license authorizations, including dam safety obligations; therefore, in consultation with the hydroelectric industry and stakeholders, the Commission will consider incorporating financial assurance requirements for licensees and other hydroelectric authorizations.

The Commission’s actions and expected results are described more fully in the following sections.

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Action Index Table

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
2.1.1: Conduct thorough and timely technical review of applications to construct, operate, or modify natural gas and hydropower infrastructure.	Review Applications for Interstate Natural Gas Pipeline, Storage, and LNG Projects: Application Review	1. Issue a revised certificate policy statement for natural gas infrastructure.	<u>49</u>
		2. Undertake an initiative to address Greenhouse Gas (GHG) emissions from Commission-approved projects.	<u>49</u>
		3. Undertake an initiative to address environmental justice for disadvantaged communities.	<u>49</u>
	Review Applications for Hydropower Projects: Application Review	4. Undertake an initiative to consider financial assurance requirements for hydropower licensees.	<u>52</u>

Performance Goal: *Develop necessary reforms to ensure that economic, environmental, and equity considerations are appropriately balanced in Commission decisions.*

	FY 2022	FY 2023	FY 2024
Performance Indicator: Milestones achieved within established timeframe	Target: Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	Actual: Target Not Met. 73% of FY 2022 Milestones Achieved	To be determined	To be determined

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GOAL 2 > OBJECTIVE 2.1 > CORE FUNCTION 2.1.1

Conduct thorough and timely technical review of applications to construct, operate, or modify natural gas and hydropower infrastructure.

PURPOSE OF THE CORE FUNCTION

To respond to energy infrastructure applications from private sector project sponsors with well-reasoned decisions, reached within a review period suitable to the complexity of the proposal.

Ensure that **stakeholders:**



- Are given a voice in the Commission’s infrastructure review process.
- Are aware of how to actively participate in the Commission’s review process.
- Understand FERC’s decisions and the basis on which they were reached.

Ensure that **applicants:**

- Recognize the environmental issues that may influence their project design and planning.
- Understand the types of studies and field surveys they will need to conduct as part of the FERC review process.
- Understand how to adhere to the compliance requirements contained in any Commission authorization for a project.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p>Review Applications for Natural Gas Pipeline, Storage, and LNG Projects*</p> 	<ul style="list-style-type: none"> ▪ Provide transparency for stakeholders regarding the potential environmental impacts and required mitigation measures for natural gas pipeline, storage, and LNG projects. ▪ Ensure that applicants and other stakeholders have up-to-date information regarding the Commission’s policies and regulations. ▪ Provide a clear understanding of the Commission’s environmental review process and compliance program for natural gas pipeline, storage, and LNG projects.
<p>Review Applications for Hydropower Projects*</p> 	<ul style="list-style-type: none"> ▪ Provide transparency for stakeholders regarding the potential environmental impacts and required mitigation measures for hydropower projects. ▪ Ensure that applicants and other stakeholders have up-to-date information regarding the Commission’s policies and regulations. ▪ Inform stakeholders of licensing processes, Commission policy, and other issues regarding hydropower construction projects.

* Workstream contributes towards Strategic Priority.

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Past and Planned Results



Review Applications for Natural Gas Pipeline, Storage, and LNG Projects

The Commission’s work in this area involves a pre-filing process and an application process. The Commission also engages in outreach efforts.

Pre-Filing Process

FY 2022 RESULTS.

In FY 2022, Commission staff initiated the pre-filing process for eight natural gas pipeline projects and one LNG project. Commission staff continued its work on six pre-filing reviews pending from prior years. In FY 2022, seven projects completed the pre-filing process and filed formal applications with the Commission, and two pre-filing projects were withdrawn/terminated. Historically, the Commission receives an average of three pre-filing requests for LNG projects and 12 pre-filing requests for gas pipeline projects each fiscal year. The number of pre-filing reviews initiated in FY 2022 is below average for LNG and gas pipeline projects. The Commission does not have control over the number of pre-filing reviews submitted by the industry or the overall timeline of the pre-filing review process. A company’s decision regarding the construction and modification of a facility is influenced by multiple, complex external factors outside of the Commission’s control.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission estimates that between five to ten natural gas pipeline projects will be in the pre-filing stage each year in FYs 2023 and 2024. In addition, the Commission expects one to three LNG projects will initiate the pre-filing review process each year in FYs 2023 and 2024.

Application Review

FY 2022 RESULTS.

In FY 2022 the Commission received 118 applications and project notifications for natural gas pipeline, storage, and LNG proposals and continued its work on 59 proceedings pending from prior years. Commission staff completed the environmental and engineering review of 118 natural gas pipeline, storage, and LNG proposals in FY 2022. This level of work represented a typical year for the Commission and resulted in the approval of approximately 950 million cubic feet per day of LNG export capacity, 3.24 billion cubic feet per day of pipeline capacity, over 174 miles of new pipelines, 290,210 horsepower of mainline compression, 36.03 billion cubic feet of working gas capacity, and 1.95 billion cubic feet per day of storage deliverability.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission estimates 120 applications and project notifications for natural gas pipeline, storage, and LNG proposals in FY 2023 and in FY 2024. This would be a similar number of filings to those received in FY 2022.

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● Priority Results: Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects

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FY 2022 RESULTS.

In FY 2022, the Commission considered over 38,000 stakeholder comments solicited through two notices of inquiry that sought information on whether and how the Commission should revise its approach to reviewing certificate applications under the 1999 policy statement on the certification of new interstate natural gas facilities. The Commission then issued a draft Updated Certificate Policy Statement that described how the Commission may evaluate all factors bearing on the public interest in determining whether a new interstate natural gas transmission project is required by the public convenience and necessity. Specifically, the draft Updated Certificate Policy Statement reaffirms the Commission’s commitment to consider all factors when assessing need for a project, and encourages applicants to submit information regarding the end use of the gas transported by the project, an explanation of why the project is needed to support that use, and the expected utilization rate of the project, in addition to filing precedent agreements. Additionally, the Commission stated that it may consider four major interests that may be adversely affected by the construction and operation of proposed projects: (1) the interests of the applicant’s existing customers; (2) the interests of existing pipelines and their captive customers; (3) environmental interests; and (4) the interests of landowners and surrounding communities, including environmental justice communities. The Commission solicited comments on the draft Updated Certificate Policy Statement in order to evaluate whether changes to the draft policy statement should be made before issuing a final policy statement.

In FY 2022, the Commission undertook an initiative to explore options for considering, and mitigating, GHG emissions from new Commission approved projects. In November 2021, Commission staff held a technical conference to gather input from stakeholders about what types and levels of GHG emission mitigation are feasible or achievable and to understand what mitigation would mean for consumers. Following the technical conference, the Commission solicited comments from stakeholders to identify options and best practices for mitigation or reduction of GHG emissions caused by natural gas infrastructure projects. The Commission used the results of the technical conference and the stakeholder comments to develop a draft GHG Policy Statement. The draft policy statement outlined the process for quantifying a proposed project’s GHG emissions under the National Environmental Policy Act and determining whether the project’s emissions are significant. The draft policy statement also detailed the type of information that would assist the Commission in developing the best estimate of a project’s GHG emissions, including the project’s utilization rate, offsets, whether the upstream or downstream GHG emissions are reasonably foreseeable project impacts, and proposed mitigation. Finally, the draft GHG Policy Statement encouraged project sponsors to propose measures to mitigate the direct GHG emissions of their proposed projects to the extent these emissions have a significant adverse environmental impact. The Commission solicited comments on the draft GHG Policy Statement in order to create a more robust record for the Commission’s evaluation of GHG emissions for proposed natural gas infrastructure projects, which the Commission will consider before issuing a final policy statement.

In FY 2022, the Commission began an initiative to address environmental justice for disadvantaged communities that could be impacted by natural gas infrastructure. The Commission developed an

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Equity Action Plan that includes actions to help Commission staff appropriately analyze the impacts of projects. This plan was submitted to the White House and publicly released in April 2022.

FYS 2023 AND 2024 PLANNED RESULTS.

In FY 2023, the Commission plans to consider stakeholder comments on the Commission’s draft Updated Certificate Policy Statement to develop a final Updated Certificate Policy Statement. The final policy statement would discuss the factors that the Commission considers during its review of natural gas infrastructure applications, including evidence of market need and a consideration of economic and environmental impacts.

Also in FY 2023, the Commission plans to consider stakeholder comments on the Commission’s draft GHG Policy Statement to develop a final GHG Policy Statement. The final GHG Policy Statement would focus on how the Commission will evaluate and potentially mitigate GHG emissions from proposed natural gas infrastructure projects.

Finally, in FY 2023, the Commission plans to continue its initiative to address environmental justice for disadvantaged communities. Commission staff will hold a public workshop to evaluate issues that arise in the Commission’s review and approval of energy infrastructure applications. Using this input, the Commission will determine additional actions to address environmental justice for disadvantaged communities that could be impacted by natural gas infrastructure.

Outreach Efforts

FY 2022 RESULTS.

In FY 2022, Commission staff conducted webinars for various federal, state, and local agencies to provide an overview of the Commission’s environmental review process to assist the agencies in their review of FERC-jurisdictional gas projects. Additionally, Commission staff spoke at three natural gas industry trade group conferences about the Commission’s review process and participated in the American Petroleum Institute’s Recommended Practice 1185 (Pipeline Public Engagement) working group. In FY 2022, Commission staff prepared 164 Tribal letters, seeking input for 11 proceedings, to various Indian Tribes.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission plans to conduct three natural gas environmental training seminars each year. The Commission also plans to conduct webinars for natural gas companies and other permitting agencies to learn about the environmental review process and attend trade conferences as appropriate to educate stakeholders about the FERC review process.

It is expected that the seminars and webinars will continue to provide value to potential applicants as they prepare project proposals. In collaboration with the Commission-wide effort to enhance Tribal engagement, staff also plans to conduct a similar amount of Tribal outreach efforts in FYS 2023 and 2024, as compared to FY 2022.

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Review Applications for Hydropower Projects

The Commission’s work in this area involves a pre-filing process and an application process. The Commission also engages in outreach efforts.

Pre-Filing Process

FY 2022 RESULTS.

During FY 2022, Commission staff received 26 notices of intent/pre-application documents to initiate the pre-filing licensing process. Of the 26 notices of intent/pre-application documents that were filed, nine were for the Commission’s Integrated Licensing Process and the remaining 17 were for the Traditional Licensing Process. In addition to beginning nine Integrated Licensing Process pre-filing processes, Commission staff continued its work on 42 Integrated Licensing Process pre-filing processes that had commenced in prior years. In the course of these Integrated Licensing Process proceedings, the Commission staff conducted 22 scoping meeting, issued seven initial study plan determinations, and issued 11 study plan modifications. Forty-six pre-filings were concluded in FY 2022 as a result of the filing of a license application. Twenty-three of the 46 license applications filed were prepared using the Integrated Licensing Process, 23 using the Traditional Licensing Process, and none using the Alternative Licensing Process. The level of pre-filing work is in line with staff expectations. Of the 26 notices of intent to prepare and file a license application, 22 were for projects with licenses expiring in FY 2027. The remaining four notices of intent were for original licenses, which falls within the range of one to eight per year received over the past several years.

FYS 2023 AND 2024 PLANNED RESULTS.

Based on previous results and other known factors, the Commission anticipates that there will be 28 active Integrated Licensing Process pre-filing processes in FY 2023, and 29 active Integrated Licensing Process pre-filing processes in FY 2024. In the course of these processes, the Commission expects its staff to conduct approximately 8 scoping meetings in FY 2023 and 18 scoping meetings in FY 2024. The Commission also expects to issue approximately ten study plan determinations in FY 2023, and ten study plan determinations in FY 2024.

Application Review

FY 2022 RESULTS.

In FY 2022, the Commission received 52 license applications, two of which were for original projects and 50 of which were for projects with expiring licenses. This workload was in addition to its continuing work on 107 applications pending from prior years. In FY 2022, the Commission acted on 11 license applications, representing a total capacity of 112 megawatts. An additional three license applications were dismissed or rejected. During this same period, Commission staff issued 17 final environmental assessments on license applications, with an average processing time of 17 months. During FY 2022, the Commission received one small hydropower exemption application, continued work on one additional small hydropower exemption filed in prior years, and acted on one small hydropower exemption application. During this period, Commission staff did not issue any environmental documents for small hydropower exemption applications.

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In FY 2022, Commission staff also completed approximately 3,500 amendment-related filings. Commission staff issued six environmental assessments on amendment applications. In FY 2022, the Commission acted on four license and exemption surrender applications, which terminated Commission jurisdiction for each of these four projects, representing a total capacity loss of 3,028 kilowatts. In FY 2022, the Commission acted on 23 transfers of license or exemption applications. The Commission also received 95 preliminary permit applications during FY 2022, which added to 117 pending permit applications that were filed in prior years. The Commission acted on 119 permit applications during FY 2022, and 7 permit applications were withdrawn by the applicants.

FYS 2023 AND 2024 PLANNED RESULTS.

By statute, a relicense application must be filed no later than two years prior to current license expiration. In FYs 2023 and 2024, the Commission expects to receive 21 and 36 relicense applications, respectively, for projects with expiring licenses in FYs 2025 and 2026, respectively. Based on the number of original license and small hydropower exemption applications filed in FY 2022, the Commission expects two original license and one small hydropower exemption applications to be filed in both FYs 2023 and 2024. In FYs 2023 and 2024, the Commission expects to complete a similar number of amendment-related filings as in FY 2022, and to issue six environmental assessments on proposed amendments each year and 30 final environmental assessments each year for license and small hydropower exemption applications. The expected final environmental assessments in FYs 2023 and 2024 for license and small hydropower exemption applications is expected to be double the number issued in FY 2022.

● Priority Results: Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects

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FY 2022 RESULTS.

In April 2022, the Commission held a technical conference to further consider industry and stakeholder input on whether the Commission should require additional financial assurance mechanisms in licenses and other hydroelectric project authorizations to ensure that licensees can safely maintain their projects and carry out the Commission’s license requirements. The Commission solicited comments following the technical conference and is currently reviewing those comments.

FYS 2023 AND 2024 PLANNED RESULTS.

In FY 2023, the Commission plans to continue its initiative to consider financial assurance requirements for licensees. Commission staff will continue to review comments from the April 2022 technical conference. Using stakeholder input from a January 2021 NOI and the April 2022 technical conference, the Commission will determine whether it should take additional action to require licensees to provide financial assurances for the safe operation of their licensed projects.

Outreach Efforts

FY 2022 RESULTS.

During FY 2022, Commission staff conducted ten virtual licensing workshops, the purposes of which were to educate stakeholders new to licensing on the Commission’s licensing processes. These workshops were well received, equipping participants with valuable information and a chance for open dialogue with Commission staff. Commission staff also participated in a

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recreation workshop hosted by Sacramento Municipal Utility District in August 2022 in Folsom, California. Finally, in FY 2022 Commission staff sent 20 consultation letters to Indian Tribes seeking input on appropriate cases.

FYS 2023 AND 2024 PLANNED RESULTS.

Commission staff anticipates participating in workshops to assist licensees in FYs 2023 and 2024. In FY 2023, staff plans to participate in a planned workshop in Hot Springs, Arkansas, to discuss shoreline management and recreation issues at hydropower projects. The workshop is anticipated to be attended by approximately 60 individuals, representing 30 hydropower licensees. The Commission also expects to conduct additional workshops in FYs 2023 and 2024 to prepare licensing stakeholders for the increased relicensing workload and other hydropower-related topics. In collaboration with the Commission-wide effort to enhance Tribal engagement, staff will continue to consult with Indian Tribes as appropriate.

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GOAL 2 > OBJECTIVE 2.1 > CORE FUNCTION 2.1.2

Assess compliance with environmental mitigation conditions in FERC orders during construction and operation of natural gas and hydropower infrastructure.

PURPOSE OF THE CORE FUNCTION

To verify that project operators are meeting, as appropriate, the environmental protection obligations, engineering design requirements, and public use commitments contained in Commission authorizations.

Provide assurance to **stakeholders** that:



- Projects have oversight for meeting the responsibilities required under the Natural Gas Act and Federal Power Act.

Ensure that **applicants**:

- Understand the compliance requirements contained in any Commission authorization for a project.
- Take action to achieve and maintain compliance with the Commission’s requirements.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p>Conduct Natural Gas Pipeline, Storage, and LNG Project Inspections/Reviews</p> 	<ul style="list-style-type: none"> Ensure that natural gas pipeline, storage, and LNG facility operators understand and adhere to the engineering and environmental requirements of the Commission’s authorization.
<p>Conduct Hydropower Project Inspections/Reviews</p> 	<ul style="list-style-type: none"> Ensure that hydropower facility owners/operators understand license/exemption requirements, are aware of any violations or areas of non-compliance, and understand the corrective actions that must be taken to achieve compliance with the Commission’s authorization.

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Past and Planned Results



Conduct Natural Gas Pipeline, Storage, and LNG Project Inspections/Reviews

FY 2022 RESULTS.

In FY 2022, 278 natural gas facility compliance inspections were completed for projects. Staff also reviewed all annual reports filed by regulated companies to ensure compliance with the Commission’s requirements for construction, mitigation, and successful restoration. In FY 2022, regulated companies filed 164 annual reports under 18 C.F.R. 157.207, 151 annual reports under 18 C.F.R. 2.55, and 66 annual reports under 18 C.F.R. 284.11, for a total of 381 annual reports which were reviewed by staff. The FY 2022 results are typical of average levels.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission expects the total number of pipeline, storage, and LNG facility construction inspections to be greater than FY 2022 because onsite inspections remained limited in FY 2022 due to the ongoing COVID-19 pandemic. Commission staff expects to receive and review a similar number of annual reports filed under 18 C.F.R. 157.207, 18 C.F.R. 2.55, and 18 C.F.R. 284.11 in each of FYS 2023 and 2024.



Conduct Hydropower Project Inspections/Reviews

FY 2022 RESULTS.

In FY 2022, Commission staff completed the review and analysis of 84 engineering amendments for construction and maintenance activities at Commission-licensed projects. Commission staff completed 845 compliance investigations of deviations from project operations in FY 2022. In most cases, the licensees and exemptees were not found in violation of their requirements. In many cases, the cause for the deviation was attributed to extreme weather conditions and mechanical malfunctions. This represents a typical workload.

Also in FY 2022, the Commission conducted 15 in-person environmental inspections after travel restrictions waned. It also granted extensions of time for the commencement of construction of project works related to 15 hydroelectric projects.

FYS 2023 AND 2024 PLANNED RESULTS.

For FYS 2023 and 2024, it is projected that the Commission will conduct approximately 130 environmental inspections. The Commission also expects to complete 125 engineering reviews of construction and maintenance activities in each year. The Commission anticipates completing approximately 850 investigations regarding deviations each year in FYS 2023 and 2024. The Commission will continue to monitor project commencement activities and expects the number of extensions to continue to increase through FYS 2023 and 2024 due to residual construction delays as a result of the COVID-19 pandemic and supply chain issues.

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Goal 2 > Objective 2.2

Overview and Priority

OBJECTIVE 2.2: Minimize risks to the public associated with FERC-jurisdictional energy infrastructure.

CORE FUNCTION 2.2.1: Conduct comprehensive and timely inspections of hydropower and LNG facilities to ensure compliance.

CORE FUNCTION 2.2.2: Protect and improve the reliable and secure operation of the Bulk-Power System through mandatory and enforceable reliability standards.

CORE FUNCTION 2.2.3: Protect FERC-jurisdictional energy infrastructure through collaboration and sharing best practices.

● Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

Priority Overview

This priority concerns the emerging threats to electric infrastructure from extreme weather events, climate change, and cyberattacks. The Commission will address this priority through an integrated set of targeted actions designed to mitigate or avoid the adverse effects of widespread and extended power outages caused by these threats.

The Commission’s actions and expected results are described more fully in the following sections.

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Action Index Table

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
2.2.2: Protect and improve the reliable and secure operation of the Bulk-Power System through mandatory and enforceable reliability standards.	Monitor Bulk-Power System Performance and Assess the Need for Modified/New Reliability Standards	1. Prepare recommendations to the North American Electric Reliability Corporation (NERC) and the Commission regarding extreme weather and its impact on reliability through analysis, including a report on the results of an inquiry into the 2021 Texas extreme weather event, and analysis of comments from the Climate Change, Extreme Weather, and Reliability technical conferences.	<u>62</u>
		2. Conduct a review of Critical Infrastructure Protection (CIP) standards currently in effect to identify gaps and vulnerabilities.	<u>62</u>
	Review and Approve Proposed Reliability Standards	3. Direct NERC or Analyze NERC's modified/new reliability standards to address extreme weather, climate change, and other reliability issues.	<u>65</u>
	Oversee the ERO and the Enforcement of Reliability Standards	4. Conduct FERC-led audits of compliance with CIP standards and identify lessons learned.	<u>66</u>
2.2.3: Protect FERC-jurisdictional energy infrastructure through collaboration and sharing best practices.	Collaborate With the Critical Infrastructure Community to Inform and Address Infrastructure Security	5. Develop and disseminate publications and presentations regarding energy infrastructure security to assist federal and non-federal partners with identifying and addressing emerging and ongoing cybersecurity threats, vulnerabilities, and mitigation strategies.	<u>68</u>
	Identify and Assess Threats and Vulnerabilities in Critical Energy Infrastructure	6. Conduct security assessment activities, including a focus on cybersecurity, to identify vulnerabilities and mitigation strategies.	<u>70</u>

Performance Goal: *Approve reliability standards and share best practices to mitigate risks related to electric grid reliability due to extreme weather and cybersecurity attacks.*

Performance Indicator: Milestones achieved within established timeframe	Target:	FY 2022	FY 2023	FY 2024
		Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	Actual:	Target Met	To be determined	To be determined

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GOAL 2 > OBJECTIVE 2.2 > CORE FUNCTION 2.2.1

Conduct comprehensive and timely inspections of hydropower and LNG facilities to ensure compliance.

PURPOSE OF THE CORE FUNCTION

To verify that project operators are meeting, as appropriate, the environmental protection obligations, engineering design requirements, and public use commitments contained in Commission authorizations.

Provide assurance to **stakeholders** that:



- Projects have oversight for meeting the responsibilities required under the Natural Gas Act and Federal Power Act.

Ensure that **applicants**:

- Understand the compliance requirements contained in any Commission authorization for a project.
- Take action to achieve and maintain compliance with the Commission’s requirements during facility operation.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p>Conduct LNG Facility Inspections</p> 	<ul style="list-style-type: none"> Alert facility owners/operators to areas of non-compliance and identify corrective actions. Ensure the safety of the public, as well as the continued operation of natural gas infrastructure facilities that have been determined to be in the public interest.
<p>Conduct Hydropower Facility Inspections</p> 	<ul style="list-style-type: none"> Alert facility owners/operators to areas of non-compliance and identify corrective actions. Ensure the safety of the public, as well as the continued operation of hydropower infrastructure facilities that have been determined to be in the public interest.

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Past and Planned Results



Conduct LNG Facility Inspections

FY 2022 RESULTS.

In FY 2022, Commission staff conducted LNG inspections in-person and remotely: 33 construction inspections were conducted for two terminal expansions, three new LNG terminals, and one peak-shaving facility under construction. This is similar to the previous year and similar to the average over the past five years. In addition, 18 operational inspections/technical reviews were conducted in-person or remotely for seven peak-shaving facilities and 11 LNG terminals. The number of operations inspection/technical reviews was higher than the average over the previous five years.

FYS 2023 AND 2024 PLANNED RESULTS.

Between 30 and 50 construction and pre-operational inspections are anticipated for FY 2023, at between seven and 11 LNG terminals. The ultimate number of inspections will depend on the commencement of facilities’ construction. In FY 2024, the number of LNG facility construction and pre-operational inspections may increase above FY 2023, depending on the market conditions and final investment decisions at the other ten approved LNG export terminal projects not yet under construction or projected to be under construction in FY 2023, the six currently proposed LNG terminal projects, and three current pre-filing LNG terminal projects before the Commission. The number of operational inspections is expected to be 18 in FY 2023 and 20 in FY 2024.



Conduct Hydropower Facility Inspections

FY 2022 RESULTS.

In FY 2022, Commission staff conducted 1,766 inspections, which is nearing pre-COVID-19 levels. Inspections included incident response, critical construction or foundation inspections, and the inspection of critical high or significant hazard potential dams as well as low hazard dams. Of the total number of inspections conducted during FY 2022, about six percent were construction inspections to ensure the new construction and remedial construction projects were being completed properly. Approximately four percent were special inspections meant to either assess a project after a flood event or to investigate an issue of concern noted by the licensee or exemptee. The remainder of the inspections were dam safety inspections. For projects not inspected, Commission staff requested that jurisdictional dam owners provide information from their own inspections of their projects.

Commission staff also conducted 70 in-person physical security inspections and 6 remote cybersecurity audits at prioritized dams, again limited by the pandemic. Commission staff focused on reviewing the Annual Security Compliance Certifications and ensuring data fidelity and hosted two webinars related to physical and cybersecurity matters. Commission staff also reviewed 94 independent consultant reports to make certain the structural integrity of jurisdictional dams was maintained and met established dam safety criteria. A high quality, robust Owner’s Dam Safety Program is considered one of the best ways to ensure the safety of jurisdictional dams. During

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FY 2022, the Commission continued improving the guidance and expectations for the five-year independent audits as part of the Owner’s Dam Safety Programs.

In FY 2022, the Commission amended its regulations governing safety inspections by independent consultants through its rulemaking in Order No. 880. This final rule incorporated two tiers of project safety inspections by independent consultants; codified existing guidance requiring certain licensees to develop owners’ dam safety programs and public safety plans; and updated existing regulations related to public safety incident reporting. Commission staff developed an implementation plan and schedule to phase in the application of the new Part 12, Subpart D requirements on jurisdictional high and significant hazard potential dam owners. It is anticipated that the full comprehensive assessment schedule will be available in FY 2023. The Commission developed and presented a series of internal and external training courses designed to summarize and provide clarity on the revised contents of 18 CFR Part 12 and the four new Engineering Guideline chapters. Courses presented included “An Overview of the Part 12 Program” (June 2022) and “Potential Failure Modes Analysis/Semi-Quantitative Risk Analysis” (July 2022).

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission anticipates that COVID-19 travel restrictions will be minimal and expects to conduct approximately 2,000 inspections annually, similar to pre-COVID-19 pandemic levels. In FY 2023 Part 12D inspections will be transitioning to the new Periodic Inspection and Comprehensive Assessments in accordance with the new Part 12 Regulations. In regard to security focused inspections, the Commission anticipates six cybersecurity audits and 90 physical security inspections annually. The Commission also expects the number of independent consultant inspection report reviews to remain steady through FY 2023.

The Commission expects to continue to assess the physical and cybersecurity compliance for all high-risk jurisdictional dams. Assessments include security document review, focused field inspection of on-site assets, and remote cybersecurity audits focused on the protection of remotely operated assets.

In FYS 2023 and 2024, the Commission will continue implementation of risk-informed decision making through the first Part 12D Comprehensive Assessments and completion of several pilot projects. Additionally, the Commission will continue to train staff, dam owners, and consultants in risk-assessment procedures, methodologies, and tools. The Commission will continue to develop its cybersecurity program and associated guidelines, based on recent successful attacks on critical infrastructure through ongoing stakeholder engagement and collaboration with partner regulatory agencies.

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GOAL 2 > OBJECTIVE 2.2 > CORE FUNCTION 2.2.2

Protect and improve the reliable and secure operation of the Bulk-Power System through mandatory and enforceable reliability standards.

PURPOSE OF THE CORE FUNCTION

To promote the reliability and security of the Bulk-Power System that delivers essential services to end users every moment of every day.

Provide assurance to **consumers/stakeholders** that:




- Blackouts and major Bulk-Power System disruptions are investigated, and results are used to prevent future blackouts and disruptions.
- Bulk-Power System planning and operation oversight leads to mandatory standards that evolve with the changing resource mix to continue to support reliable and safe operation.

Provide assurance to **users/owners/operators** that:

- Reliability and security standard development oversight leads to standards that efficiently and effectively support reliable and secure operation.
- ERO audits, investigations, and other compliance monitoring processes are fair and consistent and their outcomes, including penalties, are appropriate and reasonable.
- They have a voice and can provide input regarding trends affecting Bulk-Power System reliability and the range of possible actions to take to maintain and improve reliable and secure Bulk-Power System operations.

Overview

This core function includes the following workstreams and related impacts.

Workstream	<ul style="list-style-type: none"> ▪ Impacts
Monitor Bulk-Power System Performance and Assess the Need for Modified/New Reliability Standards* 	<ul style="list-style-type: none"> ▪ Ensure that FERC is up to date on the performance of the Bulk-Power System and the implications of any trends on continued reliability and security of the Bulk-Power System. ▪ Ensure that enforceable reliability standards are sufficient to maintain the reliability and security of the Bulk-Power System given the changes facing the electric industry. ▪ Apply lessons from previous blackouts and other grid-related cybersecurity events to prevent the reoccurrence of similar events.
Review and Approve Proposed Reliability Standards* 	<ul style="list-style-type: none"> ▪ Ensure that approved mandatory standards support reliable and secure grid planning and operations. ▪ Provide reasonable notice and opportunity for public comment prior to Commission action.
Oversee the ERO and the Enforcement of Reliability Standards* 	<ul style="list-style-type: none"> ▪ Ensure the ERO's enforcement efforts result in effective reliability and security practices. ▪ Improve entities' compliance with reliability standards. ▪ Improve the overall security posture of industry.

* Workstream contributes towards Strategic Priority.

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Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 2.1.2
		Obj 2.2 >	CF 2.2.1	CF 2.2.2
			CF 2.2.3	
			Obj 3.1 >	CF 3.1.1
			Obj 3.2 >	CF 3.2.1
				CF 3.1.2
				CF 3.2.2

Past and Planned Results



Monitor Bulk-Power System Performance and Assess the Need for Modified/New Reliability Standards

FY 2022 RESULTS.

In November 2021, the Commission issued a joint report with NERC, the Commission-certified Electric Reliability Organization (ERO), and NERC’s Regional Entities presenting the findings of an assessment of certain registered entities’ protection system commissioning programs and procedures in order to reduce misoperations attributable to protection system commissioning by identifying opportunities for program improvement. The report assessed the existence and thoroughness of various elements of each participant’s protection system commissioning program and procedures and identified best practices and opportunities for improvement in the participants’ programs/procedures with associated recommendations. The Commission also conducted its annual Reliability Technical Conference to discuss policy issues related to the reliability and security of the Bulk-Power System.

FYS 2023 AND 2024 PLANNED RESULTS

In FYs 2023 and 2024, the Commission plans to work with NERC to assess the extent to which applicable registered entities have implemented relevant recommendations and best practices of the protection system commissioning study and a related real-time assessment study completed in July 2021. Based on the results of this outreach, the Commission will consider whether any directives to improve relevant reliability standards are required.

In FY 2023, the Commission will convene its Annual Reliability Technical Conference and host a joint technical conference with the Department of Energy (DOE) on cybersecurity risks associated with electric supply chain procurement. In addition, the Commission expects to evaluate the need for changes to the reliability standards related to how cyber assets are classified and which standards requirements are applicable to ensure reliable and secure planning and operations of the Bulk-Power System.

During FY 2023, Commission staff will analyze the record developed in active proceedings to identify opportunities for possible further Commission action. Additionally, in FY 2023, Commission staff will participate in the NERC and industry emerging technologies working groups and follow the research and development of the DOE and the National Laboratories closely. This will enable the Commission to remain informed of new technology and industry efforts as they relate to the reliability and security of the grid.

● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

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FY 2022 RESULTS.

In November 2021, the Commission, along with NERC and NERC’s regional entities, issued a final report on an inquiry into the February 2021 cold weather event in Texas and the South-Central United States. This report examined the impact the February 2021 freeze had on the grid in Texas

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and other parts of the South-Central United States, identifying the causes of, and contributing factors to, the event, and numerous recommendations for improving operations under similar conditions, including recommendations for additional modifications to the reliability standards to prevent outages due to extreme cold weather. In response to one of the recommendations from that report, in April 2022, the Commission held an Improving Winter-readiness of Generating Units Technical Conference. Discussions focused on how to improve the winter-readiness of generating units, including best practices, lessons learned, and increased use of the NERC Guidelines, as recommended in the Joint February 2021 cold weather inquiry report. The conference also obtained industry input regarding ways to mitigate potential impacts related to these events. In July 2022, Chairman Glick and Jim Robb, NERC’s Chief Executive Officer, sent a letter to the North American Energy Standards Board (NAESB), requesting that NAESB convene a forum on gas-electric coordination issues identified in the final report. NAESB convened the forum in August 2022.

In June 2022, the Commission issued two proposed rulemakings addressing extreme weather stemming from the Commission’s technical conference on climate change and extreme weather events held in June 2021. The first proposes to direct NERC to develop and submit for Commission approval modifications to Reliability Standard TPL-001-5.1 (Transmission System Planning Performance Requirements) to address transmission system planning for extreme heat and cold weather events that impact the reliable operation of the Bulk-Power System. The proposed rule would require planners to develop benchmark planning cases based on prior extreme heat and cold weather events or future meteorological projections, plan for extreme heat and cold events by assessing system performance over a range of scenarios including the expected resource mix’s availability during extreme heat and cold weather conditions and the broad area impacts of extreme heat and cold weather, and develop corrective action plans to mitigate any instances where performance requirements are not met. The second proposed rule would direct transmission providers to submit one-time informational reports describing their current or planned policies and processes for conducting extreme weather vulnerability assessments, including how they identify vulnerabilities and determine risk exposure to extreme weather hazards, estimate the costs of impacts, and develop mitigation measures to address extreme weather risks and mitigating identified extreme weather risks. Such reports could provide a better understanding of how utilities prepare for and mitigate the risks posed by extreme weather and climate change.

In January 2022, the Commission proposed to direct NERC to develop and submit for Commission approval new or modified reliability standards that require internal network security monitoring within a trusted Critical Infrastructure Protection networked environment for high and medium impact Bulk Electric System Cyber Systems. The Commission received 20 comments in response to the NOPR and performed an initial review and analysis of those comments during FY 2022.

In February 2020, the Commission issued a notice of inquiry seeking comments on the potential benefits and risks associated with the use of virtualization and cloud computing services in association with bulk electric system operations. The Commission further directed NERC to submit an informational filing, which NERC completed in December 2021, considering the feasibility of modifying the CIP reliability standards to facilitate the voluntary use of virtualization and cloud computing for purposes beyond data storage (i.e., to perform bulk electric system reliability operating services).

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
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Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 2.1.2
		Obj 2.2 >	CF 2.2.1	CF 2.2.2
			CF 2.2.3	CF 3.1.2
				CF 3.2.2

FYS 2023 AND 2024 PLANNED RESULTS.

In FY 2023, the Commission plans to consider public comments on the two proposed extreme weather rulemakings and whether to issue final rules. FERC will continue to work with industry to discuss concerns about how increasing frequency, intensity, geographic expanse, and duration of extreme weather events may increase the number and severity of weather-induced events in the electric power industry. The Commission is considering other actions to account for the changing resource mix, such as potential changes to the reliability standards to ensure that all resources make appropriate contributions to maintaining reliability.

In FY 2023, the Commission anticipates to further consider and take action as appropriate in response to the comments from the January 2022 proposal to direct NERC to develop and submit for Commission approval new or modified reliability standards that require internal network security monitoring within a trusted Critical Infrastructure Protection networked environment for high and medium impact Bulk Electric System Cyber Systems.

In FY 2023, the Commission anticipates reviewing and taking action as appropriate on any new or modified reliability standards filed by NERC in light of the information received in response to Notices of Inquiry issued in FY 2020 regarding alignment of the cybersecurity reliability standards with the NIST cybersecurity framework and the risk of a coordinated cyber-attack on the grid (Docket No. RM20-12).

Commission staff will also pursue cybersecurity priorities in supply chain risk management, cloud and emerging technologies, as well as improvements and efficiencies for the CIP reliability standards. Staff will continue to track global cyber activity, new and emerging cybersecurity threats, and advancements in mitigation. Based on knowledge and insight gained from these activities, staff will conduct a review of CIP standards currently in effect to identify any gaps or vulnerabilities. In FY 2023, Commission staff will continue to examine these issues, including through engagement with NERC and industry as appropriate.



Review and Approve Proposed Reliability Standards

FY 2022 RESULTS.

In FY 2022, the Commission approved two cybersecurity related Reliability Standards: CIP-004-7 (Cyber Security – Personnel & Training) and CIP-011-3 (Cyber Security – Information Protection). The two cybersecurity reliability standards will become effective FY 2024.

In FY 2022, the Commission also approved ten operations and planning reliability standards, including FAC-011-4 (System Operating Limits Methodology for the Operations Horizon), FAC-014-3 (Establish and Communicate System Operating Limits), FAC-003-5 (Transmission Vegetation Management), IRO-008-3 (Reliability Coordinator Operational Analyses and Real-time Assessments), PRC-002-3 (Disturbance Monitoring and Reporting Requirements), PRC-023-5 (Transmission Relay Loadability), PRC-026-2 (Relay Performance During Stable Power Swings), and TOP-001-6 (Transmission Operations), PRC-006 SERC (Automatic Underfrequency Load Shedding Requirements), and CIP-014-3 (Physical Security).

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 2.1.2
		Obj 2.2 >	CF 2.2.1	CF 2.2.2
			CF 2.2.3	
			Obj 3.1 >	CF 3.1.1
			Obj 3.2 >	CF 3.2.1
				CF 3.1.2
				CF 3.2.2

FYS 2023 AND 2024 PLANNED RESULTS.

In November 2022, the Commission issued an order directing NERC to develop and file a work plan to register entities that own and operate inverter-based resources (IBRs) and a NOPR directing NERC to develop reliability standards for IBRs that cover data sharing, model validation, planning and operational studies, and performance requirements.

NERC continues to explore a further refinement of its reliability standard requirements that may be retired in a second phase of its standard efficiency review project. In FYs 2023 and 2024, the Commission anticipates reviewing and taking appropriate action on NERC’s submission, along with completing action on the remaining portion of the first phase of the project.

In FY 2023, in response to a Commission directive, the Commission anticipates NERC filing a revised reliability standard addressing communications between control centers. Additionally, the Commission expects NERC to submit modifications to reliability standards addressing the criteria for low impact facilities.

● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

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FY 2022 RESULTS.

In FY 2022, three previously approved cybersecurity reliability standards became effective: CIP-013-2 (Cyber Security – Supply Chain Risk Management), CIP-005-7 (Cyber Security – Electronic Security Perimeter(s)), and CIP-010-4 (Cyber Security – Configuration Change Management and Vulnerability Assessments).

FYS 2023 AND 2024 PLANNED RESULTS.

In FY 2023, the Commission anticipates receiving for review NERC-developed reliability standards or modifications to standards in the areas of virtualization, cloud computing, and supply chain risk management, for which NERC has active standard development efforts.

In FY 2023, the Commission will consider acting on reliability standards filings related to extreme cold weather grid operations, preparedness, and coordination, stemming from recommendations in the November 2021 cold weather inquiry report. In FY 2024, the Commission anticipates receiving and acting on a further reliability standards filing related to recommendations in this report.

In FYs 2023 and 2024, the Commission will continue its focus on maintaining reliability amid changes in the resource mix, including greater reliance on inverter-based resources and distributed energy resources. The Commission anticipates considering issuing proposed rulemakings or orders directing NERC to develop new or modified Reliability Standards that address reliability gaps related to IBRs. NERC is developing revisions to multiple reliability standards to better integrate IBRs into the Bulk-Power System. In FYs 2023 and 2024, the Commission expects to receive proposed reliability standards modifications from NERC and will determine appropriate agency actions in this area.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



Oversee the ERO and the Enforcement of Reliability Standards

FY 2022 RESULTS.

The Commission observed five operations and planning audits conducted by NERC Regional Entities. The Commission also reviewed 36 notices of penalty filed by NERC citing reliability standard violations to ensure that the proposed penalties were appropriate. In addition, the Commission reviewed hundreds of other NERC enforcement actions and compliance exceptions.

The Commission completed its own audits of two entities registered as reliability coordinators, the entities with the highest level of authority and responsibility for the reliable operation of the Bulk-Power System, for compliance with operations and planning reliability standards.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission will focus on compliance with critical operations and planning reliability standards, including those related to transmission owner facility ratings that have been the subject of increased compliance activity in recent years.

In FYS 2023 and 2024, the Commission will observe up to 12 NERC-led audits and continue to review and act upon NERC-proposed penalties.

Also in FY 2023, Commission staff will continue to process compliance filings from NERC as a result of the order issued regarding the review of NERC’s five-year performance assessment, complete its observation of NERC’s required audits of its six Regional Entities, and propose appropriate action to address any deficiency discovered.

● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

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FY 2022 RESULTS.

In FY 2022, the Commission observed six cybersecurity audits conducted by NERC Regional Entities. In addition, the Commission continued to conduct its own audits of compliance with the cybersecurity reliability standards, completing four total audits and commencing four new audits. The Commission used information gained while conducting cybersecurity reliability standards audits as a basis for the Commission to make recommendations to the entities regarding cybersecurity best practices. These recommendations were shared with the industry in the annual lessons learned staff report issued in FY 2022.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission plans to conduct four FERC-led audits each year that will focus on compliance with cybersecurity reliability standards. Based on these audits, the Commission will prepare an annual public lessons learned report for industry. The Commission will use the lessons learned report to identify potential areas for improvement with the cybersecurity reliability standards. The Commission will also observe up to 12 cybersecurity NERC-led audits and continue to review and act upon NERC-proposed penalties. Further, the Commission will continue to monitor the implementation of the audit recommendations from completed audits.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 2.1.2
		Obj 2.2 >	CF 2.2.1	CF 2.2.2
			Obj 3.1 >	CF 3.1.1
			Obj 3.2 >	CF 3.2.1

GOAL 2 > OBJECTIVE 2.2 > CORE FUNCTION 2.2.3

Protect FERC-jurisdictional energy infrastructure through collaboration and sharing best practices.

PURPOSE OF THE CORE FUNCTION

To identify, communicate, assess, and address cyber and physical security threats to FERC-jurisdictional infrastructure through voluntary collaboration.

Provide assurance to **consumers/stakeholders** that:



- Operators of critical energy infrastructure facilities have access to the information and tools needed to secure their cyber and physical facilities.

Provide **energy facility owners/operators and stakeholders** with:

- Accurate and helpful alerts about the latest cyber and physical threats.
- Methods to address threats against their facilities.
- Access to classified information tailored to their needs from other federal agencies.
- Clear best practices and tools for enhancing and maintaining cyber and physical security.
- Coordination with other sectors of critical infrastructure.

Overview

This core function includes the following workstreams and related impacts.

Workstream	<ul style="list-style-type: none"> Impacts
<p>Collaborate with the Critical Infrastructure Community to Inform and Address Infrastructure Security*</p> 	<ul style="list-style-type: none"> Ensure that other government agencies have information about the security posture of jurisdictional entities. Assist the critical infrastructure community to identify cyber and physical security priorities to inform best practices and mitigation strategies that protect against threats and vulnerabilities.
<p>Identify and Assess Threats and Vulnerabilities in Critical Energy Infrastructure*</p> 	<ul style="list-style-type: none"> Enable FERC to enhance and maintain cyber and physical security among critical infrastructure energy facilities. Allow FERC to analyze and understand broader infrastructure issues and provide a basis for identifying common vulnerabilities and developing best practices to mitigate them. Obtain feedback and insight about the efficacy of the advice, recommendations, and guidance it provides to owners of jurisdictional infrastructure.

* Workstream contributes towards Strategic Priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.2 >		CF 3.2.2
		CF 2.2.1		
		CF 2.2.2		
		CF 2.2.3		

Past and Planned Results



Collaborate with the Critical Infrastructure Community to Inform and Address Infrastructure Security

FY 2022 RESULTS.

In FY 2022, the Commission maintained its partnerships with key federal agencies such as the Department of Homeland Security, DOE, Department of Defense, Transportation Security Administration (TSA), Office of the Director of National Intelligence, and others. Commission staff also supported several working groups, councils, and committees on critical infrastructure security matters such as supply chain security, pipeline security, and incident response. These included the: Electricity Subsector Coordinating Council, Critical Infrastructure Partnership Advisory Council, Federal Senior Leadership Council, Homeland and Critical Infrastructure Resilience Interagency Policy Committee, Information and Communications Technology Supply Chain Risk Management Task Force, Interagency Policy Committee on Counter-Ransomware Efforts, and Cyber Response Group, among others.

In particular, Commission staff partnered with the White House Office of Science and Technology Policy, the National Science and Technology Council (including its Hazards Subcommittee and its Space Weather Operations Research and Mitigation Working Group), and the National Security Council (including its Electromagnetic Pulse-Resiliency Sub Policy Coordination Committee). Participation on these committees during FY 2022 provided Commission staff with the opportunity to assist with efforts to conduct a joint research project with the DOE, through Sandia National Laboratory. The project helped Commission staff to better understand and address power transformer vulnerabilities due to geomagnetic disturbances and electromagnetic pulses. Staff is currently working with the Commission’s Federal partners to assess the impacts of the results of this study.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission will maintain its current contacts and partnerships within the critical infrastructure community and will seek to develop new contacts and partnerships as appropriate. Commission staff will also continue to draw on the knowledge and insight gained from these partnerships to develop best practices that regulated entities can adopt to address threats and vulnerabilities. The Commission will continue to use multiple avenues to share this guidance and encourage its use among critical infrastructure partners.

● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

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FY 2022 RESULTS.

During FY 2022, the TSA requested Commission staff’s review of the latest versions of its Security Directive. The Directive mandates that TSA-specified Owners/Operators of gas and liquid pipelines and LNG facilities implement an array of cybersecurity measures (involving Pipeline Cybersecurity Mitigation Actions, Contingency Planning, and Testing) to help prevent disruption and

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1
			CF 2.2.3	Obj 3.1 >
				CF 3.1.1
				CF 3.1.2
				Obj 3.2 >
				CF 3.2.1
				CF 3.2.2

degradation to their infrastructure. Commission staff provided substantive technical edits for consideration prior to the publication of the directive.

Commission staff, coordinating with NERC and its Electricity Information Sharing and Analysis Center, worked to initiate, develop, and review NERC Alerts, which resulted in NERC’s issuance of two Level I Alerts and two Level II Alerts. The first was a NERC Industry Advisory issued on December 14, 2021 titled “Apache Software Foundation Log4j.” A commonly used logging framework, the Log4j vulnerability could enable an adversary to install arbitrary malicious code leading to access or even full control over an impacted system. Subsequently, on February 15, 2022, NERC issued a Level II Alert titled “Preparation for Potential Russian Cyber Activity against Industry from Russia-linked Actors,” to inform NERC-registered entities about needing to adopt a heightened security posture due to the heightening tensions between Russia and Ukraine. Third, on July 8, 2022, NERC issued an alert related to instances of transformers manufactured at Mitsubishi Electric’s Transmission & Distribution Systems Center in Ako, Hyogo Prefecture and an instance of transformers manufactured at their former Memphis Tennessee transformer factory not fully complying with customer-requested testing standards, internal-design guidelines, or agreements. Fourth, on September 12, 2022, NERC issued a Level II alert related to preparations for extreme winter weather events that have the potential for causing major interruptions to resources, transmission paths, and ultimately, end-use customers.

Commission staff participated in the Information and Communications Technology Supply Chain Risk Management Task Force, established by DHS to develop consensus strategies that enhance supply chain security. Further, staff participated in working subgroups of the Task Force to explore specific topics such as Hardware Bill of Materials, Software Bill of Materials and Small and Medium business supply chain groups.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission will continue to collaborate with the critical infrastructure community to inform and address infrastructure security. Through this collaboration, Commission staff will continue to develop best practices and mitigation strategies, which it will subsequently share with industry partners, as appropriate.



Identify and Assess Threats and Vulnerabilities in Critical Energy Infrastructure

FY 2022 RESULTS.

The Commission also conducts voluntary and collaborative on-site physical security reviews with owners of FERC-jurisdictional entities. At the request of the owners, Commission staff, along with staff from other agencies such as the DOE and the Department of Defense, with staff from the requesting entity, perform on-site physical security reviews related to detection and protection methods employed at the facility.

In addition, Commission staff actively participated in several exercises to assess cyber and physical security readiness, including Cyber Yankee, the Grid Ex security exercises, and the Edison Electric Institute (EEl) Blackstart Tabletop Exercise, among others. Cyber Yankee is an annual exercise for the New England Army National Guard Defensive to assess and improve their operational

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

readiness, as well as the readiness of utility participants (electric, natural gas, water, and telecommunications) to a realistic cyberattack on the North American power grid. The EEI Tabletop Exercise engaged executive participants on how their utilities would overcome the effects of a cyberattack on the Eastern Power Grid. This exercise was unique, as it examined the dependency of the power grid upon natural gas pipelines. NERC’s Electricity Information Sharing and Analysis Center conducted its biennial grid security exercise, Grid Ex. This is a distributed play grid exercise that allowed participants to engage remotely, simulating a cyber and physical attack on the North American electricity grid and other critical infrastructure.

FYS 2023 AND 2024 PLANNED RESULTS.

Commission staff will continue to participate in physical security reviews and infrastructure security exercises to understand broader infrastructure issues and provide a basis for identifying common vulnerabilities and best practices to mitigate them.

● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

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FY 2022 RESULTS.

Commission staff conducts voluntary and collaborative on-site security assessments with owners of FERC-jurisdictional entities, including a focus on cybersecurity. These assessments leverage Commission knowledge of the energy sector threat landscape, focusing on vulnerabilities that impact operational control systems – particularly at interfaces between generation, transmission, and distribution. The assessments allow greater insight into the gap between industry cybersecurity practices and the adoption of recommended practices. In FY 2022, due to the lifting of travel restrictions as a result of the COVID-19 pandemic, Commission staff resumed onsite assessments, conducting four onsite assessments of jurisdictional entities’ IT and operating technology infrastructure.

In addition, staff updated and distributed an incident response checklist to stakeholders; this checklist was designed to support a public utility commission, with oversight of utilities within a state, in response to a cyber incident. Staff also updated and distributed to stakeholders a checklist related to security evaluations at utilities. State Commissions can use these checklists to help them evaluate the strength of a regulated public utility’s cybersecurity program, for both informational and operational technology systems.

FYS 2023 AND 2024 PLANNED RESULTS.

To address the cybersecurity aspect of this priority, Commission staff plans to continue to conduct voluntary architectural assessments in both FYs 2023 and 2024 that include a focus on cybersecurity. The assessments will encompass energy utilities, which may include the owners and operators of electric utility assets, natural gas pipelines, liquefied natural gas terminals, and hydropower facilities.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

Goal 3

Overview and Funding Summary

GOAL 3: Provide Mission Support Through Organizational Excellence

OBJECTIVE 3.1: Manage resources effectively through an engaged workforce.

OBJECTIVE 3.2: Facilitate trust and understanding of FERC activities by promoting transparency and equity, open communication, and a high standard of ethics.

Strategic Goal and Objectives (Dollars in thousands)		FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 REQUEST	PERCENT CHANGE FY23 TO FY24
Objective 3.1	FTE	234	229	239	4.4%
	Funding	\$70,089	\$75,413	\$79,949	6.0%
Program		45,934	48,085	52,042	8.2%
Support		24,155	27,328	27,907	2.1%
Objective 3.2	FTE	79	102	111	8.5%
	Funding	\$23,107	\$33,304	\$37,608	12.9%
Program		14,927	21,058	24,621	16.9%
Support		8,180	12,246	12,986	6.0%
GOAL 3 SUBTOTAL	FTE	313	331	350	5.7%
	Funding	\$93,196	\$108,717	\$117,557	8.1%
Application of PY Budget Authority		-	-	(4,563)	
GOAL 3 TOTAL	Funding	\$93,196	\$108,717	\$112,994	3.9%

Note: Numbers may not add up due to rounding.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.1.2
		Obj 2.1 >	CF 2.1.1	CF 2.1.2
		Obj 2.2 >	CF 2.2.1	CF 2.2.2
			CF 2.2.3	
			Obj 3.2 >	CF 3.2.1
				CF 3.2.2

Goal 3 > Objective 3.1

Overview

OBJECTIVE 3.1: Manage resources effectively through an engaged workforce.

CORE FUNCTION 3.1.1: Maintain processes and provide compliant services that enable FERC offices to manage resources effectively and efficiently.

CORE FUNCTION 3.1.2: Provide tools and services that enable employees to perform their jobs effectively and drive FERC’s success.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2 Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.1 > CF 2.1.1 CF 2.1.2 Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.1 > CF 3.1.1 CF 3.1.2 Obj 3.2 > CF 3.2.1 CF 3.2.2	

GOAL 3 > OBJECTIVE 3.1 > CORE FUNCTION 3.1.1

Maintain processes and provide compliant services that enable FERC offices to manage resources effectively and efficiently.

PURPOSE OF THE CORE FUNCTION

To enable leadership to prioritize resource allocations and make prudent investments that yield returns that directly benefit FERC’s mission while complying with federal requirements.

Provide assurance to **external stakeholders** that:






- FERC is a good steward of the financial and human resources entrusted to it.
- FERC maintains the assets, resources, and capabilities to carry out its legislative mandate and achieve its mission.
- FERC operates in full compliance with regulations and laws and is fully accountable to its varied stakeholders.

Ensure **FERC offices**:

- Have the resources they need to carry out operations.
- Are compliant with applicable laws and regulations.
- Have the support and guidance to achieve operational excellence and efficiency.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
Design and Implement Effective Internal Control and Accountability Systems 	<ul style="list-style-type: none"> ▪ Ensure FERC’s operations are carried out according to deliberate and purposeful plans and that risks are effectively managed. ▪ Provide FERC the ability to assess and provide reasonable assurance of achieving effectiveness and efficiency of operations, compliance with requirements, and reliability of reporting.
Manage FERC’s Finance, Accounting, and Acquisition Requirements 	<ul style="list-style-type: none"> ▪ Ensure the effective, efficient, and transparent use of FERC’s financial resources. ▪ Document and demonstrate FERC’s financial stewardship, integrity, and accountability to external audiences.
Design and Implement Human Capital Strategies to Attract a Diverse and Effective Workforce 	<ul style="list-style-type: none"> ▪ Ensure FERC can recruit the best candidates from across the country. ▪ Maintain a workforce with the right skills and competencies needed to achieve its mission. ▪ Ensure FERC supports and maintains a diverse, healthy, and robust workforce.
Maintain a Secure and Reliable IT Infrastructure 	<ul style="list-style-type: none"> ▪ Ensure that IT serves as a resource-multiplying asset to provide better quality information and faster service for FERC’s internal and external customers.
Maintain the Safety, Security, and Resilience of FERC Operations 	<ul style="list-style-type: none"> ▪ Ensure the safety, security, and resilience of FERC operations and locations. ▪ Ensure that FERC has access to sensitive information and data from the intelligence community to monitor threats to energy infrastructure and to inform threat mitigation strategies.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
				CF 3.2.2
		Obj 2.1 >	CF 2.1.1	CF 2.1.2
		Obj 2.2 >	CF 2.2.1	CF 2.2.2
			CF 2.2.3	



Design and Implement Effective Internal Control and Accountability Systems

FY 2022 RESULTS.

In FY 2022, the Commission continued its efforts to coordinate and integrate a comprehensive and effective enterprise risk management capability. The enterprise risk management program is combined with a strong and effective internal control program which continues to support effective and efficient mission delivery and data-driven decision-making processes. This capability is also coordinated with the strategic planning and strategic review process established by the Government Performance and Results Act Modernization Act, and the internal control processes required by the Federal Managers' Financial Integrity Act. In FY 2022, the Commission continued its efforts with piloting and maturing a governance structure ensuring the requirements of an effective risk management control system is supported.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission will continue its efforts to broaden the implementation and integration of its enterprise risk management program with performance reviews and strategic and tactical planning activities. When fully implemented, it will provide an enterprise wide, strategically aligned portfolio view of organizational challenges and opportunities which supports an improved insight to prioritize and manage risks to mission delivery more effectively.



Manage FERC's Finance, Accounting, and Acquisition Requirements

FY 2022 RESULTS.

In FY 2022, the Commission received an unmodified financial statement audit opinion, which means the Commission's financial data is properly presented without any material misstatements. The Commission is in the middle of a multi-phase project of enhancing its financial management systems by implementing a software solution designed to increase efficiencies in workload and costs. These enhancements will streamline demand, leverage and support customer demand for effective advanced planning, and systematically advance execution and produce tailored reports that support financial data-driven decision-making.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission will complete the final phases of enhancing its financial management software systems and technologies. The software solutions will automate and integrate a significant number of manual processes, increase transparency and reporting, and improve financial awareness of Commission staff. This will ultimately improve financial system user satisfaction and yield cost savings and productivity gains. Utilizing the software solution, the Commission will also implement advanced acquisition planning to build more effective strategies for acquiring goods and services in support of the Commission's mission. This will improve the budget planning and execution process and make the acquisition of goods and services more efficient, thus ensuring these resources are available in a timely manner for efficient and effective Commission operations. The Commission will also enhance its financial management reporting capabilities by providing Commission staff with timely and essential information necessary to make critical decisions regarding execution activities.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1
				CF 2.2.2
				CF 2.2.3
			Obj 3.1 >	CF 3.1.1
			Obj 3.2 >	CF 3.2.1
				CF 3.1.2
				CF 3.2.2



Design and Implement Human Capital Strategies to Attract a Diverse and Effective Workforce

FY 2022 RESULTS.

In FY 2022, the Commission continued its multi-year human capital operating plan initiative to address gaps and vulnerabilities by conducting and completing a comprehensive workforce analysis study. The workforce analysis helped Commission managers identify staffing, critical needs, and competency needs. This study enabled the Commission to develop plans and hiring strategies to meet the required resource levels needed to accomplish its mission.

The Commission’s hiring strategy maximized its authorized FTE level by finishing the year with a 99 percent execution rate. The Commission averaged a 53-day time to hire.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue the multi-year human capital operating plan objectives and initiatives to recruit and retain a world class workforce required to support the Commission’s mission and will refine the workforce analysis by integrating new workforce demands, data analytics and dashboard visualizations. The data-driven decision-making will support workforce modeling and forecasting to support data-driven human capital management decision-making.

Further, the Commission will continue to use direct hire authorities to reach a targeted 99 percent FTE execution rate and monitor the impacts to workforce planning. Over the next three years, and despite aggressive hiring efforts, the limited talent pool in the identified mission-critical occupational series could negatively impact the Commission’s efforts to hire highly skilled staff ahead of double-digit attrition rates. Further, compensation constraints prevent the Commission from being competitive in the job market, which significantly impacts its ability to attract and retain employees with the necessary skill sets. The Commission anticipates these factors will continue to increase and be relevant over the next several years and will continue to take them into account while implementing its hiring strategies. Recruitment efforts will continue to be a priority due to the significance and impact on future mission and program performance.

Commission leadership worked collaboratively with its employee resource groups and developed a comprehensive Diversity, Equity, Inclusion and Accessibility (DEIA) Strategic Plan. This plan, published in January 2023, established two strategic goals to advance DEIA within the agency’s workforce. The first goal in the DEIA plan seeks to ensure the Commission’s workforce is diverse and is inclusive of employees from traditionally underserved communities as they participate in the national workforce. The second goal seeks to establish a culture within the agency in which current employees feel valued and opportunities are provided on a fair and equitable basis. This plan strives to strengthen our FERC community by removing barriers impeding equal opportunity for all Commission employees. Additionally, the plan is aligned to achieve the Equal Employment Opportunity Commission’s mandated recruitment and hiring goals for all employees. This initiative will also develop and implement specific actions that will have a measurable and positive impact on the workplace.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
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Maintain a Secure and Reliable IT Infrastructure

FY 2022 RESULTS.

In FY 2022, the Commission continued to increase resources within the IT Support Services Contracts to support capital planning, data analytics, and enterprise program management capabilities for the CIO organization. Through enterprise program management, all IT Federal staff and contractors received Agile training and teams began participating in a pilot program to ensure understanding, adoption and implementation of Agile methodologies consistently across the enterprise. As the Commission continued to implement Agile methodologies, there were 118 releases across business applications that provided enhanced capabilities and automation as well as maintained application security. Of the 118 releases, 34 were attributed to migrating 80 percent of the Commissions’ sites and data to SharePoint Online and deploying the first ever FERC PowerApps applications. Additionally, the Commission successfully migrated 10 years of Visual FoxPro Data and deployed the eCollection.gov portal and FERC XBRL taxonomy in October 2021, which reduced the burden to filers by eliminating data entry into forms and providing a single portal for form submission to the Commission while also providing analysts at FERC the ability to examine data across all forms at once rather than individually.

The Commission also continued its implementation efforts for its Application Layer Modernization (ALM) initiative, which supports modernization of its mission-critical business applications. This multi-year effort will include upgrading the Commission’s various mission-critical and support applications by developing an integrated application platform to increase self-service capabilities, leverage cloud-based technologies, and improve maintainability. It will also provide an enhanced user experience to access Commission information in a secure manner.

The Commission deployed additional work sets into cloud-based services, enhanced security monitoring of cloud environments, and improved user access to systems. The Commission achieved over 10 percent increase in cloud adoption by implementing planned cloud initiatives for FY 2022. The Commission continued refreshing IT employee endpoint devices and core infrastructure components. Also in FY 2022, the Commission began its consolidation of its telecommunication services contracts to the General Services Administration’s (GSA) Enterprise Information Services (EIS) contract by awarding the first call order to migrate and upgrade the primary and secondary internet circuits for the Headquarters.

Availability of mission-related information is increasing, which presents opportunities for the Commission to leverage analytics. The Commission continued the maturity and growth of its data governance program by expanding the data analytics platform, integrating new data sources through automated data pipelines, and continuing to inventory data assets and data sets into FERC’s Comprehensive Data Inventory. New data technologies were integrated into the Commission’s cloud-based data analytics platform to deliver a more comprehensive analytic capacity to Commission staff, supporting the needs of the Commission’s data science and analytic community of users. The Commission successfully launched its first Data Science Training Program to ensure the continued maturity and education of the Commission’s analytic users. The program was so popular that the Commission has launched a second round of Data Science training. In addition, 530 legacy reports were consolidated to approximately 50 core Power BI reports by implementing data standardization, reducing the number of reports FERC has to maintain by 90 percent while increasing data quality and access to self-service. Additionally, to ensure the Commission has access to expert data support services for the

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Cloud-Hosted Data Science Platform, the Commission awarded a multi-year/multi-vendor Blanket Purchase Agreement (BPA) and has awarded two Call Orders off of the BPA. The first Data Support Services Call Order supports the Data Operations of the Data Analytics Platform, support automated data sync, and other priority data products and projects. The second Data Support Services Call Order supports Data Governance and Data Stewardship processes and tools. This Data Support Services BPA enables the Commission to proactively engage the expert technical data resources necessary to enhancing and building out functions of the Commission’s data program and platform.

Enhancing cybersecurity and maintaining a secure environment is a priority for FERC. The Commission had no audit findings for its unclassified cybersecurity program, completed all ATOs on time, and was rated as “Managed and Measurable” Level 4 in the Identify, Protect, Respond, and Recover functions and “Optimized” Level 5 in the Detect function. Additionally, the Commission successfully deployed over 95 percent of required server and workstation vulnerability patches to prevent cybersecurity breaches. In accordance with OMB M-21-07, the Commission invested in a IPv6 subject matter expert to validate the existing high-level implementation plan and to deliver a detailed technical plan. As required by OMB M-22-09 the Commission created and submitted the Zero Trust Architecture (ZTA) Implementation Strategy and Plan, which included milestones and budget needs for achieving ZTA.

The Commission established the first ever IT Enterprise Risk Management Committee to formally track, manage, and mitigate risks across IT investments and initiatives and ensure coordination, collaboration, and visibility of risks across the enterprise. The program has led to the identification and tracking of over 90 risks, 6 of which are considered Enterprise level risks and are monitored by the Committee on a quarterly basis. Lastly, in compliance with the Paperwork Reduction Act, the Commission ensured timely submittal of 100 percent of Commission approved and published rulemakings and renewal packages (for information collections) to OMB.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue to fulfill planned initiatives such as routine refreshes for copiers, laptops, Local Area Network, infrastructure components and Storage Attached Network, as well as maintain legacy applications. The Commission anticipates expanding access to enterprise resources through secure mobility options for all employees. Further, the Commission will continue to invest in growing to an Agile enterprise through piloting and coaching teams, implementing an Agile certification program to certify Agile practitioners, and developing a governance framework for intake of initiatives and establishment of metrics to measure value. The Commission will begin deploying tools to improve its cybersecurity posture to support continuous monitoring of its enterprise infrastructure and will begin the facilitation and implementation of ZTA to include identity, device, network, application and data security. Also in FY 2023, the Commission intends to implement a Customer Relationship Management solution to provide an efficient means to track inquiries from the public and to support proactive public engagement.

The Commission expects to upgrade its network bandwidth requirements through the GSA’s EIS contract, and to begin a refresh of core network infrastructure components. The Commission will continue its execution of modernizing its core suite of mission-critical business applications as a component of the Application Layer Modernization initiative by completing the deployment of ALM Wave 1 of the Application Layer Modernization which replaces the virtual agenda capabilities and associated notional tracking of key commission items. The initiation of Wave 2 of ALM will replatform and improve the hydropower legacy systems which will eliminate redundancy, integrate the workflows for key business processes, and improve the efficiencies. The Commission will also continue its maturity

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and growth of the data analytics platform, in alignment to the Application Layer Modernization to ensure the modernized applications align to data standards, and new automated data pipelines from the modernized applications can be enabled to make this new data accessible through the data analytics platform for data science and analytics needs. New and existing data technologies will continue to mature on the platform in support of analytics workflows to ensure the Commission has the best tools to drive data driven decision making.

The Commission is planning to implement the use of a of Records Management Tool for eLibrary to ensure that the electronic records in eLibrary are retained in compliance with the National Archives and Records Administration (NARA) electronic recordkeeping regulations. Upon further analysis, the size and scope of the project required extensive customization beyond the out-of-the-box capability. As a result of the analysis, a project plan with three phases was proposed and approved to meet the NARA mandate. In FYs 2023 and 2024 funding will be used for Execution of Record Declaration & Filing Ongoing Task Workflow, Automation, & Cleanup Implementation.

The Commission is planning to automate and further streamline administrative processes, services, and data. In FYs 2023 and 2024, the Commission will continue to implement its plan for Data Support, together with Data Governance and Stewardship Services, delivering best-in-class capabilities and data services to meet the Commission’s data science needs. The data governance organization will continue to implement this multi-phase initiative, to include: (1) maturing FERC’s Data Stewardship Framework and partnering with FERC data stewards to inventory the landscape of data throughout the agency and evaluating appropriate data usage; (2) implementing data standardization, validation protocols, and adopting a Master Data Management Program; and (3) promoting data skills and building data acumen across the Commission.



Maintain the Safety, Security, and Resilience of FERC Operations

FY 2022 RESULTS.

The Commission reached significant milestones toward the completion and accreditation of the Sensitive Compartmentalized Information Facility. Specifically, the Commission received approval for classified information systems, and finalized intelligence requirements for consumption by the intelligence community to provide FERC-specific insight into finished intelligence products. This has allowed the Commission to store and discuss information critical to protecting the Bulk-Power System and conduct liaison activities with the Intelligence Community.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission anticipates installation and authority to operate its information technology systems within the Sensitive Compartmentalized Information Facility by early calendar year 2023. This achievement will allow greater coordination between FERC, DOE, the Intelligence Community, and other partners engaged in the protection of critical infrastructure, and FERC-specific insight into finished intelligence products.

Additionally, FERC will be able to directly participate in classified video teleconferencing, which will enhance FERC’s situational awareness on threats to jurisdictional entities.

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Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1
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GOAL 3 > OBJECTIVE 3.1 > CORE FUNCTION 3.1.2

Provide tools and services that enable employees to perform their jobs effectively and drive FERC’s success

PURPOSE OF THE CORE FUNCTION




To ensure employees feel safe, equipped, and empowered for success.

Ensure that **employees**:

- Work in a safe and secure workplace.
- Have access to technical support so they can perform their jobs effectively.
- Work in an organization that supports their growth and development and values diversity and inclusion.
- Have clear expectations and useful feedback to perform effectively.
- Have recourse and assistance to address harassment and discrimination.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
Protect Employees and Provide a Safe Workplace 	<ul style="list-style-type: none"> ▪ Ensure that FERC employees can perform their jobs without any threat to their welfare or physical safety.
Provide Technical Support to Employees 	<ul style="list-style-type: none"> ▪ Ensure that FERC employees have the equipment, workspace, and tools they need to perform their jobs.
Develop and Engage Employees 	<ul style="list-style-type: none"> ▪ Inform and focus employee effort, encourage engagement, and enable employees to drive success. ▪ Ensure that employees have the opportunity to learn and grow. ▪ Ensure Equal Employment Opportunity principles are an integral part of the FERC culture, the workplace is free from discrimination and harassment, and employees have support mechanisms to resolve issues and secure reasonable accommodations.

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Past and Planned Results



Protect Employees and Provide a Safe Workplace

FY 2022 RESULTS.

In FY 2022, the Commission continued to sustain and mature its integrated protective operations program, which ensures the security and safety of the Chairman, Commissioners, and Commission staff while they are conducting Commission activities throughout the United States and the world. The Commission’s Occupational Safety and Health Administration-Compliant Safety Program (OSH program) continued to identify and eliminate or mitigate hazards facing Commission staff, both in office spaces as well as field locations.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the OSH program expects to provide formal hazard-specific training to all Regional Offices; to conduct assessments of all FERC tenant facilities; to ensure appropriate personal protective equipment is obtained, deployed, and maintained for the infrastructure inspection regime of the Office of Energy Projects; and to support preventative multiuse training, such as defensive driver and automated external defibrillator/cardiopulmonary resuscitation/first aid.

Additionally, the Commission’s OSH program remains a key component of ensuring a safe and healthy working environment during and post-reconstitution from COVID-19. The OSH program continues to offer guidance and assistance with COVID cases and return to work, assessments of facility risk across the country, and the interaction of mission-related travel and COVID field conditions potentially impacting staff as well as mitigation measures that should be implemented.



Provide Technical Support to Employees

FY 2022 RESULTS.

In FY 2022, the Commission fully migrated its primary collaboration and communication platforms from on-premises to a cloud solution. This move replaced an obsolete product and implemented capabilities of the cloud environment. The Commission continues to work with specific IT tools and applications and to explore new software functionalities to strengthen work processes. These tools also provide for a flexible and supportive work environment for Commission employees.

In preparation for a successful transition from full remote to a hybrid work environment, the Commission upgraded infrastructure components, deployed new collaboration tools, and implemented a technical support strategy to respond to anticipated and unanticipated requests. Additionally, 40 percent of Commission staff received upgraded laptops. Also in FY 2022, the Commission modernized its current audio-video solution by bringing together phone, video teleconferencing, and software into an integrated platform. The uniting of these four elements enables FERC and associates enhanced opportunity to collaborate through voice, data, and video from anywhere in the FERC network or as a remote user.

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The Commission implemented its first ever Section 508 Compliance Program, which included FERC-wide training and guidance to increase awareness of Section 508 Compliance mandates, digital accessibility, disabilities that necessitate Section 508 considerations, and how to ensure products created in Microsoft Office and Adobe are Section 508 compliant.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will continue to bolster Privacy Act and Section 508 of the Rehabilitation Act compliance programs, training, and technologies for staff, on top of the continued expansion of FERC’s internal and external facing collaboration tools. The Commission will continue to increase training opportunities for technical staff to ensure that FERC applications meet Section 508 standards, and that customer support processes incorporate tools and techniques for recognizing and accommodating the needs of people with disabilities.

In order to provide state of the art customer service, the Commission procured services to conduct a technical and functional assessment of its existing ServiceNow cloud platform, along with all administrative services and processes. The assessment will also analyze the feasibility to centralize, automate, and integrate services into a single portal, with the goal of providing streamlined support, enhancing strategic partnership with Program Offices, and improving customer experience. In FY 2023, the Commission will expand upon its ServiceNow cloud architecture by implementing Incident Management and Service Request Management, and conclude in FY 2024 with Self-Service and Knowledge Management.



Develop and Engage Employees

FY 2022 RESULTS.

The Commission expanded the iLearn platform, which provides supervisory training to employees as well as the ability to access technical training. The Commission sustained its 2022 Federal Employee Viewpoint Survey (FEVS) scores with the accomplishment of the following strategies: (1) providing enhanced analysis of the FEVS results to senior management and ensuring transparency of the results for all employees, (2) performing action planning in response to feedback provided on the FEVS, and (3) providing the necessary tools and training to supervisors to ensure they can effectively empower their employees.

Additionally, the Commission held training sessions for its supervisors to provide tools and information necessary to sustain and increase employee engagement.

The Commission continued its vision to strengthen its employees and support a diverse, healthy, and robust workforce culture that is free from discrimination and harassment in all its heinous forms. The Commission continued its engagement with employees and employee resource groups on the “A Call to Action” initiative by finalizing a comprehensive plan which provides employees with additional assurances that the Commission values diversity and inclusion.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission will continue to expand its iLearn system to strengthen and develop employees’ skillsets and technical abilities to achieve the Commission’s objectives while maintaining resource efficiency. The Commission also anticipates relaunching its competency-based training program to

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support coaching and development efforts as one of the actionable strategies within its DEIA Strategic Plan.

The Commission will continue to analyze employee feedback and continue to develop, implement and improve identified actions necessary to increase employee engagement and overall job satisfaction. The Commission will continue to provide supervisors with consultation on their action planning to sustain or improve the Commission’s level of employee engagement. This consultation will include activities focused on mission effectiveness by promoting diversity and inclusion training and providing guidance on enhancing DEIA.

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Goal 3 > Objective 3.2

Overview and Priority

OBJECTIVE 3.2: Facilitate trust and understanding of FERC activities by promoting transparency and equity, open communication, and a high standard of ethics.

CORE FUNCTION 3.2.1: Maintain legal and other processes in accordance with the principles of due process, fairness, and integrity.

CORE FUNCTION 3.2.2: Promote understanding, participation, and engagement.

● Improving Accessibility and Participation in Proceedings

Priority Overview

This priority concerns the increased interest and desire to participate in Commission proceedings and the growing need for assistance to ensure an opportunity and ability to access and participate in Commission proceedings. The Commission will address this priority through an integrated set of initiatives designed to educate and support accessibility of and participation in Commission proceedings.

The Commission’s actions and expected results are described more fully in the following sections.

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Action Index Table

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
3.2.2: Promote understanding, participation, and engagement	Educate, Inform, and Engage	1. Conduct and develop educational events and materials regarding Commission processes and issue areas.	<u>91</u>
		2. Assess, identify, and implement improvements to government-to-government consultation and engagement with Tribal Nations.	<u>91</u>
	Provide Outreach and Assistance on Individual Proceedings	3. Identify and implement outreach strategies for high-interest/significant proceedings.	<u>93</u>
		4. Coordinate assistance to the public through hotline/helpdesk process and public notice improvements	<u>93</u>
	Explore Intervenor Funding	5. Provide advice and recommendations to the Commission with respect to intervenor funding.	<u>95</u>

Performance Goal: *Increase understanding of and participation in Commission.*

	FY 2022	FY 2023	FY 2024
Performance Indicator: Milestones achieved within established timeframe	Target: Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	Actual: Target Not Met 88% of FY 2022 Milestones Achieved	To be determined	To be determined

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GOAL 3 > OBJECTIVE 3.2 > CORE FUNCTION 3.2.1

Maintain legal and other processes in accordance with the principles of due process, fairness, and integrity.

PURPOSE OF THE CORE FUNCTION




To demonstrate FERC’s commitment to integrity, fairness, and ethics as public servants and in the exercise of its regulatory authority.

Ensure that **the public, stakeholders, and jurisdictional entities**:

- Have a foundation for putting their trust into the Commission.
- Are given due process when challenging Commission orders and issuances.
- Understand how equity and environmental justice are considered within Commission processes.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p>Provide Ethical and Legal Support and Analysis Regarding FERC’s Operational Functions</p> 	<ul style="list-style-type: none"> ▪ Demonstrate FERC’s high standards of ethics and commitment to integrity. ▪ Encourage a level of public trust and confidence.
<p>Provide Legal Guidance and Representation to FERC on Rehearing and Appeal of Commission Issuances</p> 	<ul style="list-style-type: none"> ▪ Ensure that challenges to Commission issuances are handled in a manner that demonstrates integrity and fairness and assures due process for parties subject to Commission orders and issuances.
<p>Provide Guidance to the Commission on Matters Involving Environmental Justice and Equity</p> 	<ul style="list-style-type: none"> ▪ Remove barriers that can block historically overburdened and underserved communities from benefitting from Commission policies and processes. ▪ Demonstrate Commission commitment to environmental justice and equity and facilitate public trust.

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Past and Planned Results



Provide Ethical and Legal Support and Analysis Regarding FERC’s Operational Functions

FY 2022 RESULTS.

In FY 2022, the Commission provided ethics training to all staff that meets or exceeds the Office of Government Ethics’ requirements. The Commission’s ethics staff also responded to approximately 1,355 ethics-related questions and other personnel matters, typically in a timely manner. Ethics questions generally cover outside activities, seeking employment, post-employment, financial disclosure review, and prohibited financial holdings. Although the complexity of each question varies, they typically require substantive analysis of applicable ethics rules and regulations, and other authority, and sometimes involve personnel action over the course of many months and sometimes years.

In FY 2022, the Commission’s ethics staff reviewed 157 public and 808 confidential financial disclosures. This represented approximately 60 percent of FERC employees. The Commission currently uses the Office of Government Ethics’ Integrity system to manage the public financial disclosure reports and uses the FDOonline system to manage the confidential financial disclosure reports.

Staff supports the Commission’s procurement function, providing legal review of various matters, including requests for quotation, awards, and license agreements. In FY 2022, staff reviewed 46 procurement items. In addition, staff reviewed organizational conflict of interest filings to determine whether conflicts existed, such as examining whether contractors’ existing contracts conflicted with proposed FERC work. In FY 2022, staff reviewed 27 organizational conflict of interest items.

Staff also handled legal issues in numerous other areas, including personnel issues, Freedom of Information Act (FOIA) and Critical Energy/Electric Infrastructure Information (CEII) requests, FOIA appeals, and related FOIA litigation.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYS 2023 and 2024, the Commission will continue to provide ethics training to all staff that meets or exceeds the Office of Government Ethics’ requirements. The Commission will continue to tailor such training to address emerging trends and developments.

The Commission will continue to review all financial disclosures submitted by staff, the number of which is expected to remain steady.

The Commission expects to receive a similar number of ethics, personnel, procurement, FOIA/CEII, and organizational conflict of interest issues and will respond to all in a timely manner.

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Provide Legal Guidance and Representation to FERC on Rehearing and Appeal of Commission Issuances

FY 2022 RESULTS.

In FY 2022, staff continued to implement changes to the Commission’s rehearing practices following the June 30, 2020, decision of the U.S. Court of Appeals for the D.C. Circuit in *Allegheny Defense Project v. FERC*, 964 F.3d 1 (D.C. Cir. 2020). The ruling in that case held that the Commission may not extend the statutory time allowed for Commission action on the merits of requests for rehearing of Commission orders issued under the NGA and the FPA . Subsequent changes in the Commission’s rehearing practices are intended to expedite consideration of rehearing requests and to keep the public apprised of the status of Commission proceedings. In accordance with these revised practices, the Commission resolved rehearing requests in over 100 proceedings in FY 2022.

Because litigation in the U.S. Courts of Appeals follows a final Commission rehearing order, the rise in FY 2021 and FY 2022 rehearing orders led directly to a rise in appellate litigation (new appeals, motions, briefs, and oral arguments) before the U.S. Courts of Appeals. There were 41 oral arguments in FERC appeals in the D.C. Circuit during the court’s 2021–2022 Term (September 2021 to May 2022), an extraordinary number that far surpasses (more than four-fold) the number of argued D.C. Circuit appeals from any other federal agency during the 2021–2022 Term. During FY 2022, there were four additional appellate arguments in fully-briefed FERC appeals, two in the 5th Circuit and two more in the 9th Circuit. The increase in new appeals and oral arguments has led to a corresponding increase in court opinions in FERC appeals. Despite the increased appellate workload during the fiscal year, and the high complexity of many of these cases, the Commission has maintained its historic record of defending and sustaining the agency’s orders in (at least) 75 percent of the cases that ultimately are decided on the merits after briefing and argument. (Still other appeals are dismissed after motions practice, without the case ever proceeding to merits briefing and argument.)

FYS 2023 AND 2024 PLANNED RESULTS.

For FYs 2023 and 2024, staff expects requests for rehearing to continue to be filed at approximately the same pace as in FY 2022 and will continue to implement the Commission’s post-*Allegheny* practices to ensure that rehearing requests are resolved in a timely manner. As for court appeals, staff believes that current litigation numbers will carry forward (though the number of oral arguments per year will likely not be as high as those in FY 2022), with approximately 125 FERC-related appeals pending at any one time, resulting in 25–45 court opinions per year on review of final FERC rehearing orders.



Provide Guidance to the Commission on Matters Involving Environmental Justice and Equity

FY 2022 RESULTS.

In FY 2022, the Commission developed an Equity Action Plan to address environmental justice for disadvantaged communities that could be impacted by natural gas and hydropower infrastructure. The Equity Action Plan is a response to Executive Order No. 13985, *Advancing Racial Equity and*

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Support for Underserved Communities Through the Federal Government, issued on January 20, 2021. This plan was submitted to the White House and publicly released in April 2022.

The Equity Action Plan established key actions regarding: (1) the Commission’s Office of Public Participation; (2) Tribal government consultation and engagement; (3) certification and siting of natural gas infrastructure; (4) hydropower licensing; and (5) staff equity readiness. The Equity Action Plan provides guidance regarding these areas, as part of the Commission’s overall work to integrate environmental justice and equity considerations into the Commission’s processes and decision-making.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission will work to achieve the goals described in the Equity Action Plan. These actions will help remove barriers that can block historically overburdened and underserved communities from benefitting from reliable, safe, secure, and economically efficient energy services. Implementation of the Equity Action Plan will also help lay the foundation for continued integration of environmental justice and equity in the Commission’s work.

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GOAL 3 > OBJECTIVE 3.2 > CORE FUNCTION 3.2.2

Promote understanding, participation, and engagement.

PURPOSE OF THE CORE FUNCTION





To promote transparency and understanding regarding FERC’s authority, activities, and proceedings, thereby enhancing participation and engagement in Commission activities.

Ensure that **the public, stakeholders, Tribes, and jurisdictional entities:**

- Understand how the Commission carries out its responsibilities.
- Have access to accurate and timely information about the Commission’s activities.
- Have the opportunity and support to participate in Commission proceedings, including through alternative dispute resolution, assistance with procedural or technical questions, and potentially an opportunity to seek intervenor funding.

Overview

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p>Educate, Inform, and Engage*</p> 	<ul style="list-style-type: none"> ▪ Facilitate understanding of how FERC carries out its responsibilities. ▪ Promote trust in and engagement with FERC. ▪ Demonstrate FERC’s commitment to transparency and open communication.
<p>Provide Outreach and Assistance on Individual Proceedings*</p> 	<ul style="list-style-type: none"> ▪ Promote public participation and engagement with FERC. ▪ Ensure that individuals are treated in a manner that is inclusive and fair. ▪ Ensure that the concerns of Tribal members, environmental justice, energy justice, and other historically marginalized communities are fully and fairly considered in FERC proceedings.
<p>Maintain and Provide Public Information Systems and Services to Facilitate Public Engagement</p> 	<ul style="list-style-type: none"> ▪ Ensure that the public is kept up to date on Commission decisions and activities. ▪ Promote the efficient sharing of information between the agency, the public, and external stakeholders. ▪ Ensure that public and external stakeholders can comment on filings made with the Commission, rulemakings, and Commission issuances.
<p>Explore Intervenor Funding*</p> 	<ul style="list-style-type: none"> ▪ Ensure that any intervenor funding by FERC is appropriate and fair. ▪ Ensure that intervenor funding decisions are transparent and understood.

* Workstream contributes towards Strategic Priority.

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	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

Past and Planned Results



Educate, Inform, and Engage

FY 2022 RESULTS.

The Commission has a robust and programmatic approach to educating, informing, and engaging the public; federal and state lawmakers; and other state, local, and Tribal officials of important FERC actions.

The Commission’s first line of communication with the public and stakeholders is through its FERC.gov website; the 162 announcements posted to the website in FY 2022 comprised the bulk of social media postings that alerted the public and stakeholders to the Commission’s actions. The Commission makes efficient use of the social media site Twitter, where it has more than 32,000 followers who regularly see updates from the Commission. In addition, the Commission in September 2022 initiated an expanded and more sophisticated public access to webcast Commission meetings, technical conferences, and other events via the Commission’s web page and its Twitter, Facebook, and YouTube channels. This expanded access provides direct Commission webcast services to the public in a more direct, user-friendly manner, reaching the public where they are most likely to be able to access the information they need.

The Commission’s outreach efforts continue with direct and regular engagement with Congressional, state, Tribal and media groups to inform them of Commission actions and to alert them to opportunities for learning more about what the Commission is doing. These briefings focus on new rulemakings, policy proposals, and staff reports on wholesale electric markets, seasonal reliability, and other issues. The briefings offer attendees an opportunity to ask questions of Commission staff to gain more clarity on these items.

Finally, Commission staff follow up these efforts with prompt and accurate responses to requests from the media; the public; and Congressional, state, and Tribal stakeholders. In FY 2022, staff responded to 5,628 inquiries, including 558 media requests.

To accomplish these outreach efforts in FY 2022, Commission staff:

- Developed, evaluated, and implemented new, proactive approaches and processes for handling congressional inquiries, preparing for congressional hearings, and letter processes.
- Arranged for approximately 70 formal and informal briefings and written correspondence in response to congressional inquiries.
- Provided technical assistance to Congressional staff on proposed legislation.
- Held 16 in-depth briefings for state policymakers on important Commission initiatives by September 30, 2022.
- Rebuilt/updated the Commission’s state contact lists to include thousands of state officials and staff, expanded reach to include consumer advocates, governors’ offices, legislators, and environmental/public works officials.
- Hosted 18 separate in-depth briefings, both in-person and virtual, for Tribal leaders and foreign delegations.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
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Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 2.1.2
		Obj 2.2 >	CF 2.2.1	CF 2.2.2
				CF 2.2.3
				CF 3.2.2

- On average, distributed 12 notifications of Commission actions per month to state officials, including relevant notational items issued daily.
- Hosted Chairman’s media briefings attended by more than 20 reporters after each of the Commission’s 11 public meetings.
- Produced, posted to social media, and distributed via email 11 editions of the monthly *FERC Insight* newsletter highlighting Commission activities to an audience of 8,912 subscribers, an increase of more than 60 percent since January 2021.

The Commission takes seriously its responsibilities under the FOIA and its duties regarding access to information under CEII regulations. The Commission accepted 103 FOIA requests and 40 CEII requests in FY 2022. The Commission has implemented new steps to be more responsive, efficient, and timely in responding to incoming FOIA requests, as envisioned by the Department of Justice March 2022 FOIA memorandum.

FYS 2023 AND 2024 PLANNED RESULTS.

For FYs 2023 and 2024, the Commission will continue to strengthen its commitment to education, information, and engagement with the public.

In FYs 2023 and 2024, the Commission also will continue to proactively offer briefings to Congressional staffers on areas of interest, major rulemakings, and orders. The Commission will continue to respond to all Congressional inquiries promptly and openly while ensuring Congressional members and staff are kept apprised of action by the Commission regarding priority items. In FYs 2023 and 2024, staff expects to exceed FY 2022 levels of communication with state officials and continue to expand outreach to additional associations representing state interests. Commission staff also will continue to build relationships with international regulatory agencies; continue to engage with regulatory counterparts in Mexico, Canada, Europe, and Asia; and provide assistance to sister federal agencies upon request.

In FYs 2023 and 2024, Commission staff will process FOIA and CEII requests within the required timeframes. The Commission cannot predict the number of such requests it will receive in future years. Yet the Commission expects such requests may become more frequent with the evolution of its public engagement strategies and capabilities and increased public interest in the Commission. To adapt to this higher level of engagement, the Commission is reviewing ways to ensure the FOIA process is more timely and efficient to account for the higher volume of FOIA requests.

● Priority Results: Improving Accessibility and Participation in Proceedings

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FY 2022 RESULTS.

The transformation of the nation’s energy landscape has shone a brighter spotlight on the Commission. This change has required FERC to improve the sophistication and reach of its public engagement program by coordinating outreach efforts to multiple audiences, including new audiences for the Commission’s messages on several fronts, using a variety of tools and platforms.

In FY 2022, the Commission selected a Director for the newly established Office of Public Participation and hired additional staff to fulfill the statutory mission of the office to facilitate public participation in FERC proceedings. The Office of Public Participation focused its work on

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Obj 1.2 >	CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

reaching its core constituencies of environmental justice communities, landowners impacted by infrastructure proposals, citizens of Tribal nations, and consumer/environmental/community-based organizations. An Open Access podcast interview of the Director introduced the work of the Office of Public Participation, outreach, assistance, and constituent services to the public and Commission stakeholders. In FY 2022, the Office of Public Participation launched a robust constituent services, outreach, and education initiative. The Office also expanded its presence on social media and began consistent coordination with other FERC offices to improve opportunities for public input in pending matters. The Office of Public Participation was also an active member of the working group that drafted the Commission’s Equity Action Plan.

In early FY 2022, Commission staff conducted a workshop in collaboration with the DOE and Pacific Northwest National Lab to understand stakeholder technical assistance needs in electric proceedings and to inform the development of a technical assistance program and related inter-agency partnership in the future. Over 100 individuals participated in the workshop and learned about different types of electricity proceedings and the Commission’s decision-making process. In late FY 2022, the Office of Public Participation hosted a virtual workshop for the public on how to file comments, which served as an initial primer on navigating the Commission’s online comment filing system for rulemakings. Over 200 individuals participated in the workshop and received guidance on the step-by-step process for submitting comments in the Commission’s online system.

In FY 2022, Commission staff completed meetings with more than a dozen Federal agencies and non-governmental organizations to assess the Commission’s Tribal work. Based on these meetings, the Commission identified and began implementing improvements to its Tribal engagement practices. In addition, staff will focus on improving the Commission’s relationships with Tribal governments through building capacity internally, updating the Commission’s website with Tribal resources, and holding a listening session to hear directly from Tribes.

FYS 2023 AND 2024 PLANNED RESULTS.

The Commission will continue to work to enhance publication of educational materials and utilize its social media platforms to facilitate greater public access and understanding of the Commission’s work and mission. The Commission will continue to adapt its outreach strategies to leverage new technologies, and increasingly respond to changing needs, including those of states, international governments, Tribal Nations, the media, and other stakeholders. For example, the Commission will regularly post on its numerous social media platforms while incorporating more photographs, video content, and explanatory graphics. With these efforts, the Commission expects that its social media following and engagements with the public will increase in both FYs 2023 and 2024.

The Commission also will increase its engagement with the public through its Office of Public Participation as it establishes key functions, including public outreach and education and procedural assistance, among others. The Commission will increasingly work to reflect the needs of landowners, environmental justice communities, citizens of Tribal nations, and consumer/environmental organizations in its outreach strategies and messaging.

During FYs 2023 and 2024, Commission staff will also identify, prioritize, and continue to develop resources for the public in both English and other high-priority languages, including Spanish and

INTRO	GOAL 1		GOAL 2			GOAL 3		APPENDICES	
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1	CF 2.1.2	Obj 3.1 >	CF 3.1.1	CF 3.1.2	
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

American Sign Language. These resources, such as primers and explainers, would describe the Commission’s role in regulating electric markets and energy infrastructure, how to comment and intervene in proceedings, and why the proceedings are of interest to the public. The Commission intends to enhance streaming accessibility to its open meetings, technical conferences, and other public engagement events with state-of-the-art public conferencing technology offering built-in closed captioning, translation, and transcription services in Spanish and other languages.

In FYs 2023 and 2024, the Office of Public Participation plans to develop educational materials and to conduct events, including workshops, webinars and conferences, to help educate the public on Commission processes and issue areas such as electric energy market regulation in RTOs/ISOs and energy infrastructure proceedings. Staff anticipates hosting at least three educational events during FY 2023.

Commission staff will seek to improve Tribal consultation and stakeholder engagement with Tribal leaders and citizens.



Provide Outreach and Assistance on Individual Proceedings

● Priority Results: Improving Accessibility and Participation in Proceedings

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FY 2022 Results.

In FY 2022, the Office of Public Participation provided procedural assistance through direct responses to hundreds of constituent inquiries received by telephone and email communications. Constituent requests for assistance included inquiries regarding the full range of FERC jurisdictional matters, including but not limited to natural gas infrastructure, electric markets, hydropower licensing, and LNG facilities. Additionally, in FY 2022, the Office of Public Participation conducted or attended over 140 meetings and events with members of its core constituencies to introduce them to the Commission’s processes and the services provided by the Office of Public Participation and listen to their concerns and priorities for participation in FERC proceedings.

To identify and implement outreach strategies for high-interest and significant proceedings, in FY 2022, the Office of Public Participation developed a framework to identify infrastructure and electric market proceedings that are of greatest interest to the public. This prioritization framework will be used, in communication with Commission offices, to focus the website messaging to alert OPP’s core constituencies to high-interest cases. It will also be used to focus outreach and educational efforts going forward.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, Commission staff will execute the plans for a directed outreach program focusing on the participation of landowners, environmental justice communities, citizens of Tribal nations, and consumer/environmental groups in both NGA proceedings for natural gas infrastructure, FPA proceedings for hydroelectric infrastructure and other FERC-jurisdictional matters prioritized by the public. The goal of the program is to ensure that the public knows about projects and policy developments relevant to their area and how those projects and policy

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 3.1.2
		Obj 2.2 >	CF 2.2.1	CF 3.2.2
			CF 2.2.2	
			CF 2.2.3	

developments may affect them. In FY 2023, the Office of Public Participation will also secure translation services to expand its reach into various communities. The Office of Public Participation plans to collaborate with other FERC offices to start the design and development of a Commission-wide language access program. As these initial plans are implemented, Commission staff will also evaluate the effectiveness of the various outreach activities and document any lessons learned. The directed outreach program will continue in FY 2024.

In FYs 2023 and 2024, the Commission will continue to provide procedural assistance through the Office of Public Participation hotline. In addition, Office of Public Participation staff will continue coordination of public facing Commission hotlines to eliminate redundancies. The Commission also will continue to build the Office of Public Participation’s capabilities by acquiring customer relationship management software to enhance the office’s service capabilities.



Maintain and Provide Public Information Systems and Services to Facilitate Public Engagement

FY 2022 RESULTS.

The Commission’s full-telework posture resulting from the COVID-19 pandemic required the implementation of paperless processes to replace functions that were previously conducted face-to-face. Remote processes continued to improve during FY 2022 (and through the reconstitution phase), allowing the Commission to be more agile and expedient in its processing of all filings and issuances, thereby fostering even greater transparency and public trust.

During FY 2022, the Commission received 68,898 filings from external constituents, which were processed and published in eLibrary, the Commission’s official records repository. Approximately 92 percent of FY 2022 filings were received electronically—compared to an average of 75 percent over the last 10 years—reflecting the Commission’s ongoing effort to reduce its reliance on paper filings.

In FY 2022, the Commission issued 965 decisions that were voted on by the full Commission, and 7,402 delegated orders (decisions in which Commission staff is authorized to act pursuant to the Commission’s Regulations). As part of the Commission’s due process mission, staff additionally published 7,656 public notices (including notices announcing industry filings submitted with the Commission) on eLibrary. Of these public notices, 24 announced 335 prohibited/exempt communications under the Commission’s ex parte communications rules. Commission staff assessed each of these instances to determine whether the communications were prohibited or exempt, then published the communications to eLibrary on a biweekly basis. Overall, in FY 2022, Commission staff published 20,406 issuances of Commission actions through FERC’s document repository, eLibrary.

Further supporting its transparency efforts, the Commission posted 100 percent of time-sensitive Commission actions to the FERC.gov website within one hour of the official actions being taken. Timely posting of announcements to the FERC website ensures that the public, industry, and stakeholders have quick access to Commission decisions. In addition, such timely postings allow

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Obj 1.2 >	CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

related social media posts to provide the public with links to FERC.gov for pertinent information, improving the transparency of FERC actions to the public.

FYS 2023 AND 2024 PLANNED RESULTS.

In FYs 2023 and 2024, the Commission expects workload to continue to increase, in keeping with the trend over the last few years. The Commission plans to refine and improve its paperless processes instituted as a result of the COVID-19 pandemic, which have increased the Commission’s agility and expedience in its processing of filings and issuances. In addition, the Commission will continue its efforts to transition recordkeeping to an electronic environment that complies with all records management laws and regulations consistent with OMB Memorandum M-19-21 (Transition to Electronic Records). The Commission also plans to improve FERC’s online applications—including its electronic filing system and eLibrary data repository—through the modernization of Commission legacy applications in order to improve the reliability, user interface, and efficiencies of its services to the public.



Explore Intervenor Funding

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FY 2022 RESULTS.

In FY 2022, Commission staff continued to receive public input regarding public participation and potential frameworks for intervenor funding.

FYS 2023 AND 2024 PLANNED RESULTS.

In FY 2023, the Commission may pursue a rulemaking on intervenor funding, including by seeking public comment on this topic, with a rulemaking proceeding potentially to be completed in FY 2023.

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Appendices

Appendix A: Verification and Validation of Performance Goal Information

The Commission collects and uses information on its performance goals to inform decision making, manage performance, and meet statutory requirements. FERC ensures the completeness and reliability of performance goal information through a rigorous measure development process and internal controls over the collection and use of the information.

FERC’s measure development process includes the following elements:

1. Logic model mapping to provide an interpretive framework and to delineate the performance to be assessed.
2. The development of use cases to clarify the purpose of the measure.
3. The specification of measurement scope and data collection steps and procedures.
4. Development of procedure manuals that document:
 - Purpose and interpretation of the measure,
 - External factors that may impact the measure,
 - Measure content,
 - Data collection and storage procedures,
 - Data quality controls, and
 - Reporting requirements.

FERC’s internal controls over the collection and use of information incorporate a verification and validation process that may be applied to individual performance indicators. The verification and validation process helps to ensure the overall data quality and usefulness of the performance indicator and is one means by which FERC provides a level of confidence to Congress and the public that data used for decision making are complete and reliable.

FERC’s verification and validation process includes the following elements:

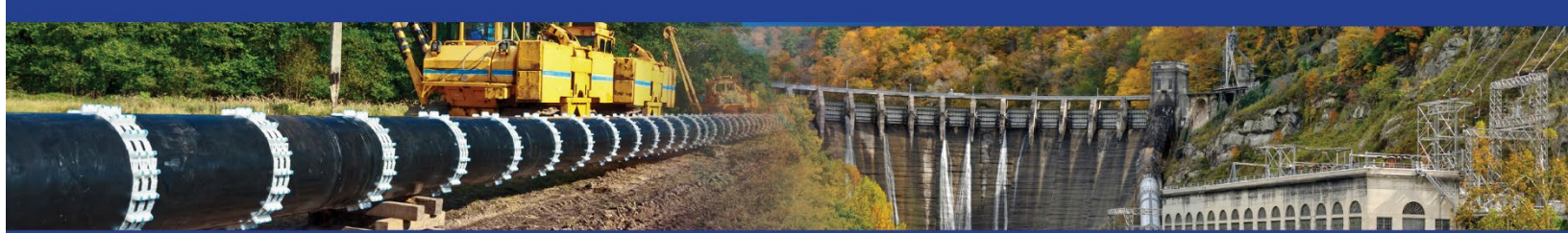
1. A criterion-based approach that assesses a performance indicator against a set of five criteria—Complete, Consistent, Accurate, Timely, and Valid—that align with the Office of Management and Budget and Government Accountability Office guidance.
2. An extensive review of the procedures for collecting, storing, and analyzing measure data to ensure those procedures are effective and consistently performed across people and time periods.
3. A verification of the reported results to ensure that the calculation is consistent with the defined scope of the indicator and appropriately applied to the raw data.
4. An examination of the internal interpretation and use of the indicator results to ensure that data limitations are accounted for and the information is appropriately valid for its intended use.

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Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1
				CF 2.2.2
				CF 2.2.3
			Obj 3.1 >	CF 3.1.1
			Obj 3.2 >	CF 3.2.1
				CF 3.1.2
				CF 3.2.2

Appendix B: Acronyms

ALJ Administrative Law Judge	NARA National Archives and Records Administration
ALM Application Layer Modernization	NERC North American Electric Reliability Corporation
ANOPR Advanced Notice of Proposed Rulemaking	NGA Natural Gas Act
BPA Blanket Purchase Agreement	NOI Notice of Inquiry
C.F.R. Code of Federal Regulations	NOPR Notice of Proposed Rulemaking
CEII Critical Energy/Electric Infrastructure Information	OMB Office of Management and Budget
CIP Critical Infrastructure Protection	OSH Program Occupational Safety and Health Administration-Compliant Safety Program
DEIA Diversity, Equity, Inclusion and Accessibility	PJM PJM Interconnection, L.L.C.
DOE Department of Energy	PY Prior Year
EEI Edison Electric Institute	RTO Regional Transmission Organization
EIS Enterprise Information Services	TSA Transportation Security Administration
EQR Electric Quarterly Report	U.S.C. United States Code
ERO Electric Reliability Organization	XBRL eXtensible Business Reporting Language
FERC Federal Energy Regulatory Commission	ZTA Zero Trust Architecture
FEVS Federal Employee Viewpoint Survey	
FOIA Freedom of Information Act	
FPA Federal Power Act	
FTE Full-Time Equivalent	
FY Fiscal Year	
GHG Greenhouse Gas	
GSA General Services Administration	
IBR Inverter-based Resource	
ISO Independent System Operator	
IT Information Technology	
LNG Liquefied Natural Gas	
NAESB North American Energy Standards Board	

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
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FERC

FY 2024 CONGRESSIONAL JUSTIFICATION

