



Federal Energy Regulatory Commission

An Overview

Vision

Reliable, affordable energy through reliance on competition and effective regulation.

Mission

The Federal Energy Regulatory Commission regulates and oversees energy industries in the economic, environmental, and safety interests of the American public.

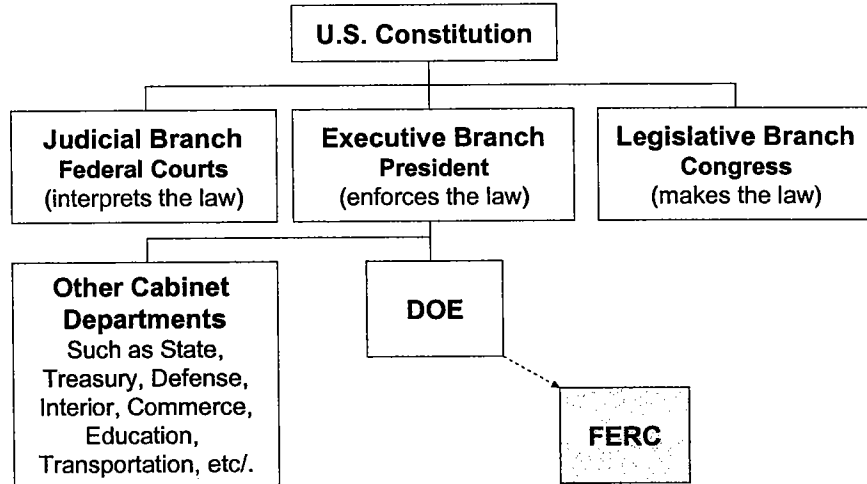
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What is FERC?

- FERC Is An Independent Government Regulatory Agency in the Executive Branch of the U.S. Government
- Created by Department of Energy Organization Act (1977)
- Predecessor: Federal Power Commission

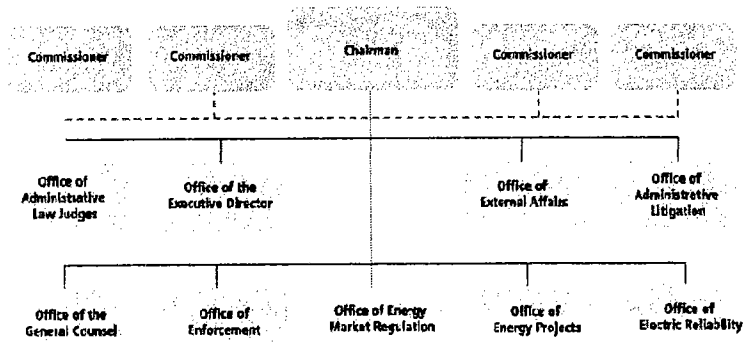
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FERC and the Department of Energy (DOE)



NOTE: DOE DOES NOT REVIEW OR APPROVE FERC ORDERS

Federal Energy Regulatory Commission



How is FERC Organized?

- There are 5 commissioners
 - Nominated by the President, confirmed by the Senate
 - President designates Chairman
 - Each commissioner has a 5-year fixed term, with one term expiring each year
- The Chairman sets the monthly Commission agenda
 - Orders voted out by majority rule

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The Commissioners

Jon Wellinhoff
Acting Chairman

Independent (6/30/2013)

Suedeem G. Kelly

Democrat (6/30/2009)

Philip D. Moeller

Republican (6/30/2010)

Marc Spitzer

Republican (6/30/2011)

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FERC's Staff and Budget

- Budget Request of \$230,800,000 for FY2007
 - Submitted to the President and Congress
 - Funds collected primarily through annual charges and filing fees
 - Budget is publicly available
- Approximately 1,300 employees (Resources are needed to implement the Commission's increased responsibilities under the Energy Policy Act of 2005)
 - Energy Infrastructure: 892
 - Competitive Markets: 215
 - Market Oversight: 213

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Program Offices

Office of Energy Market Regulation

Office of Electric Reliability

Office of Energy Projects

Office of Enforcement

Office of Administrative Litigation

Office of Administrative Law Judges

Office of General Counsel

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What Does FERC Regulate?

Electric Power Industry

- Interstate transmission rates and services
- Wholesale energy rates and services
- Corporate transactions, mergers, securities issued by public utilities
- Mandatory electric reliability standards

• *Natural Gas Industry*

- Interstate transportation rates and services
- Interstate gas pipeline construction and oversee related environmental matters

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What Does FERC Regulate? (con't)

• *Oil Pipeline Industry*

- Interstate transportation rates and services of crude oil and petroleum products

• *Hydroelectric Industry*

- Licensing of nonfederal hydroelectric projects
- Oversee related environmental matters
- Inspect nonfederal hydropower projects for safety issues

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What FERC Does Not Regulate

- Plan or finance investments
- Regulate pollution produced by electric generators (*Environmental Protection Agency*)
- Regulate safety standards of nuclear generation (*Nuclear Regulatory Commission*)
- Regulate pipeline safety (*Department of Transportation*)

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Federal versus State Regulation

• **FEDERAL**

FERC

- Wholesale (sales for resale) transactions
- Rates, terms and conditions of interstate transmission service
- Backstop authority to order the construction of new transmission facilities in federal corridors

• **STATE**

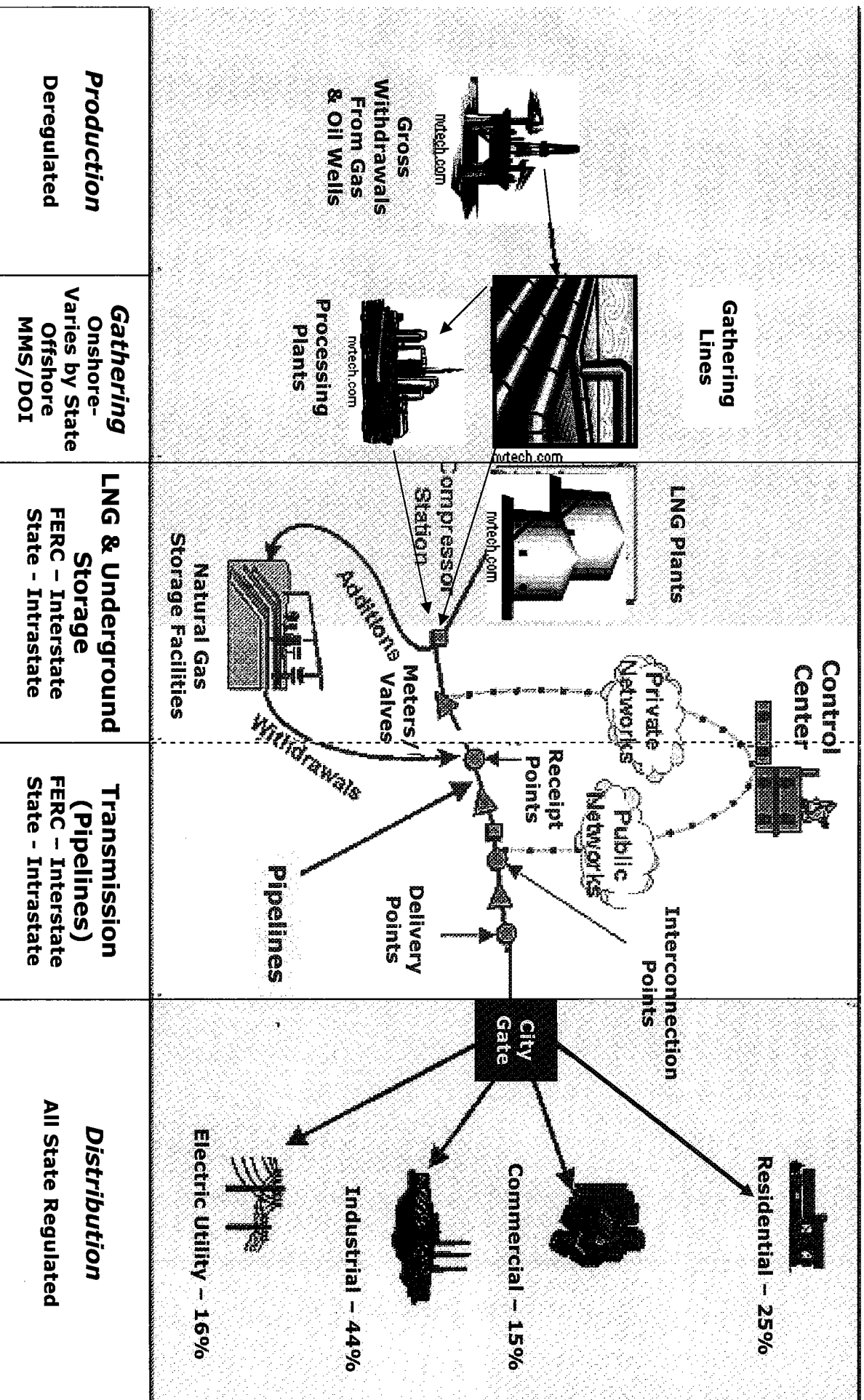
Public Utilities

Commissions

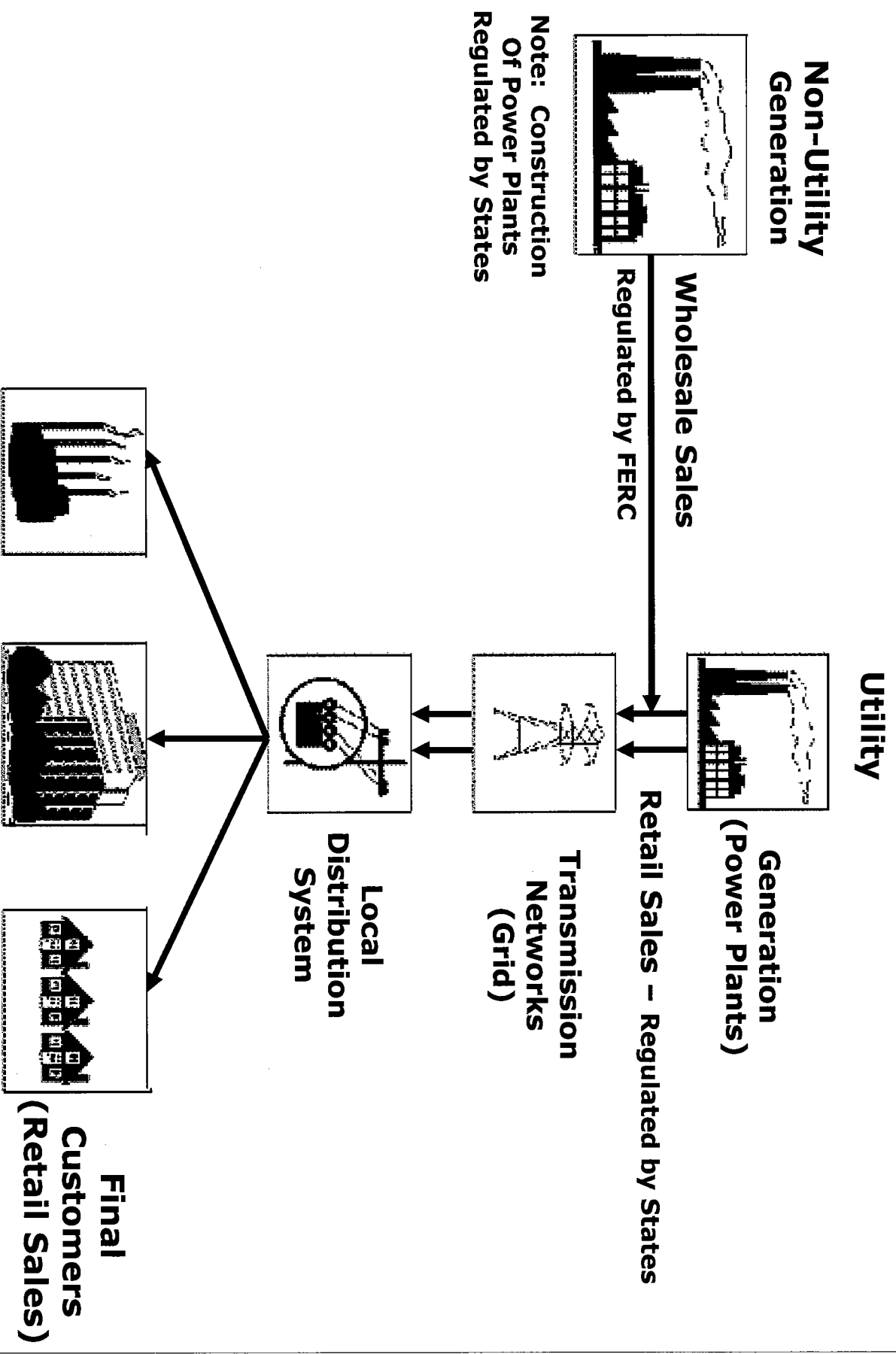
- Retail (sales to end-user) transactions
- Rates, terms and conditions of local distribution and retail transmission services
- Certificates for construction of new electric generation and transmission facilities

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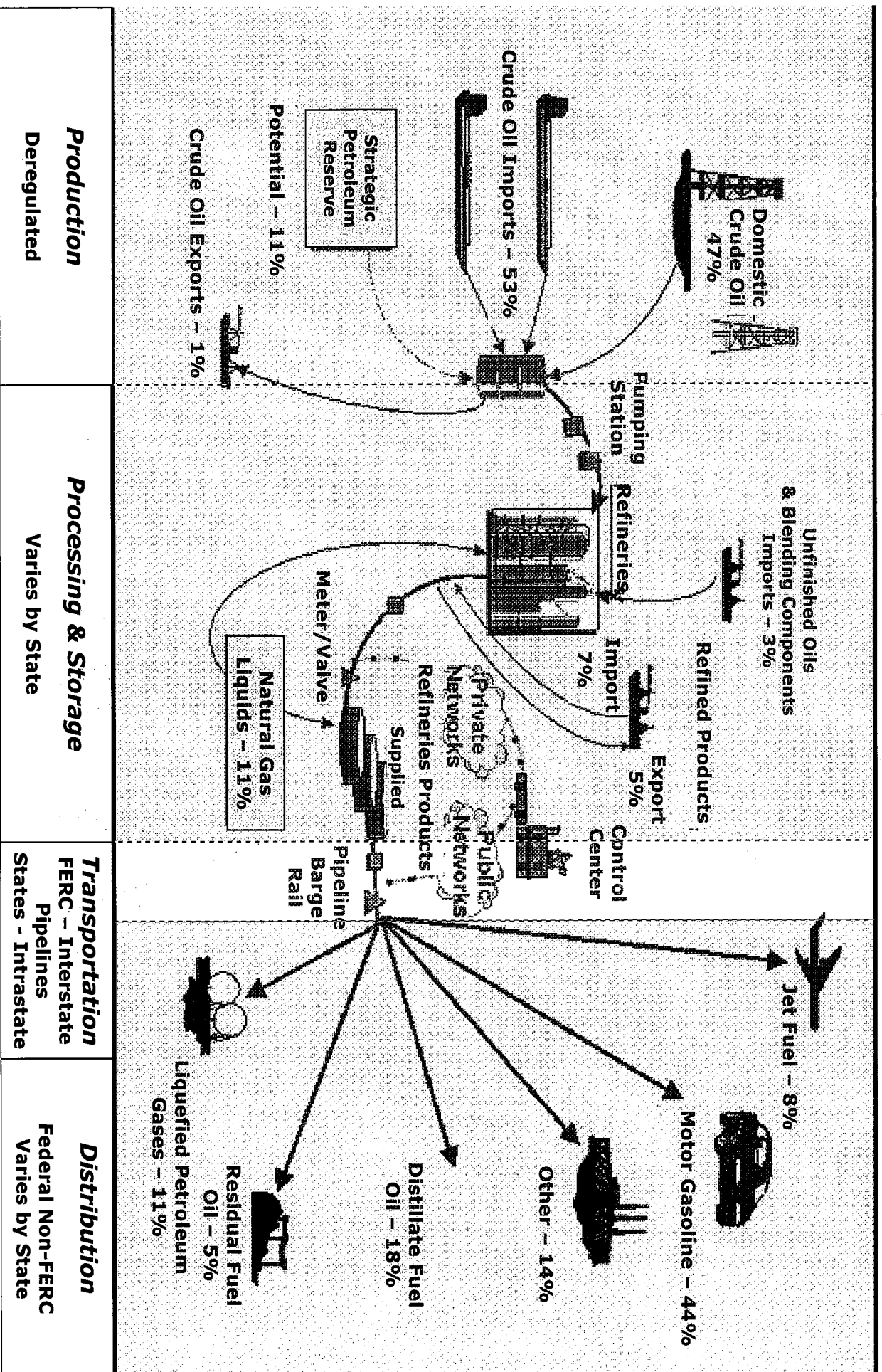
Profile of Natural Gas Industry



Current Electric Industry



Profile of Oil Industry



Production

Deregulated

Processing & Storage

Varies by State

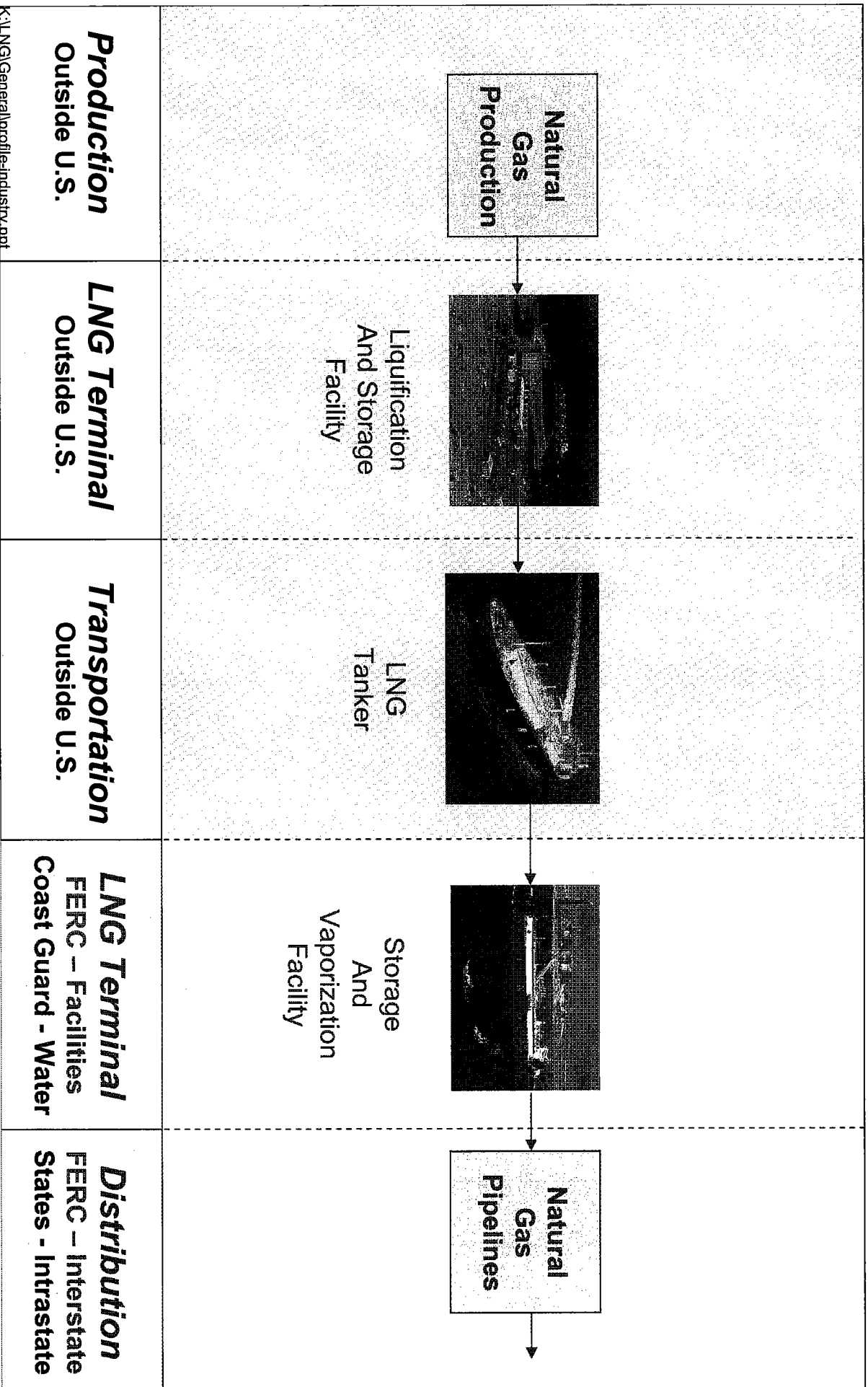
Transportation

FERC - Interstate Pipelines
States - Intrastate

Distribution

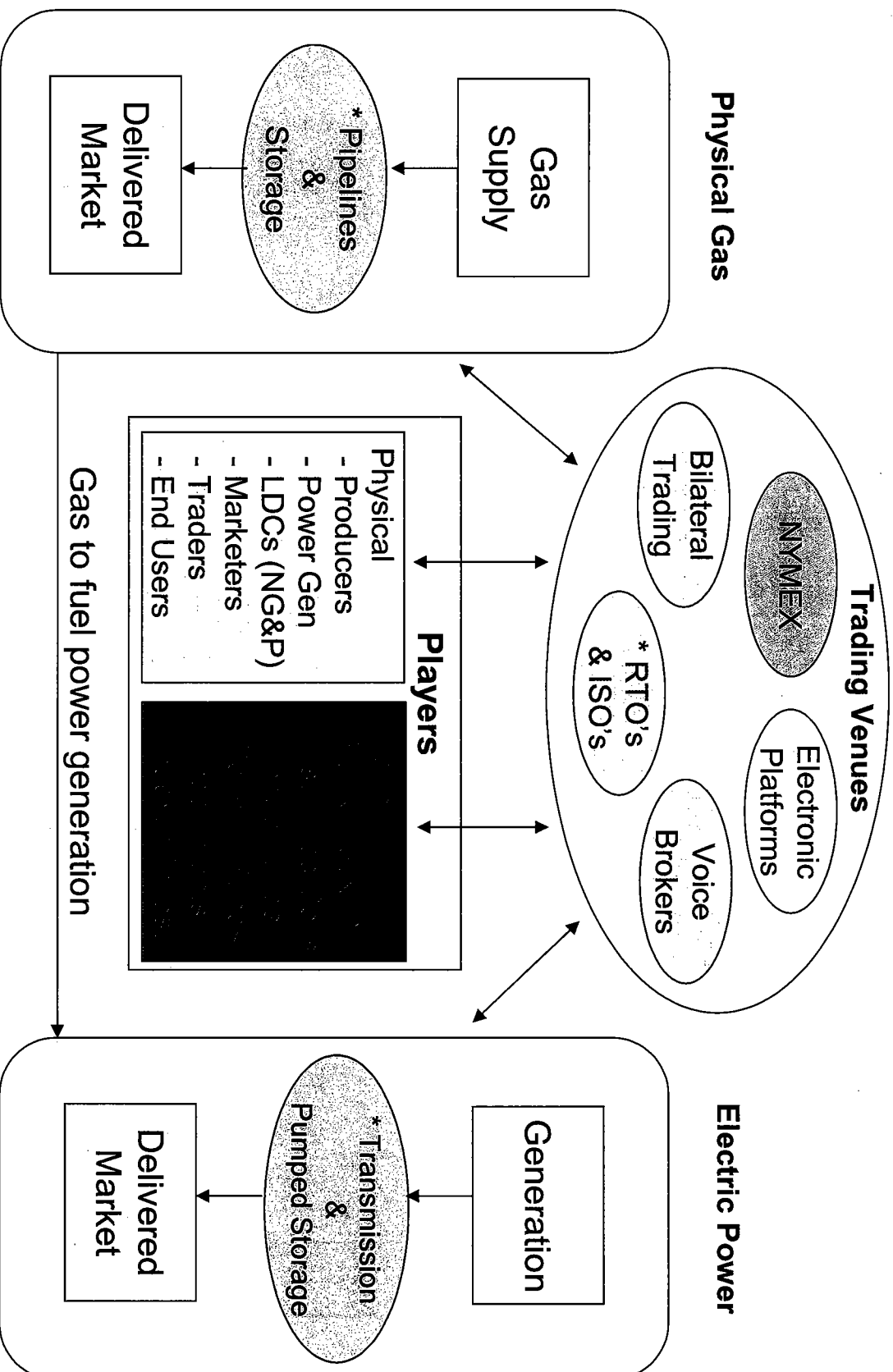
Federal Non-FERC
Varies by State

Profile of Liquefied Natural Gas Industry



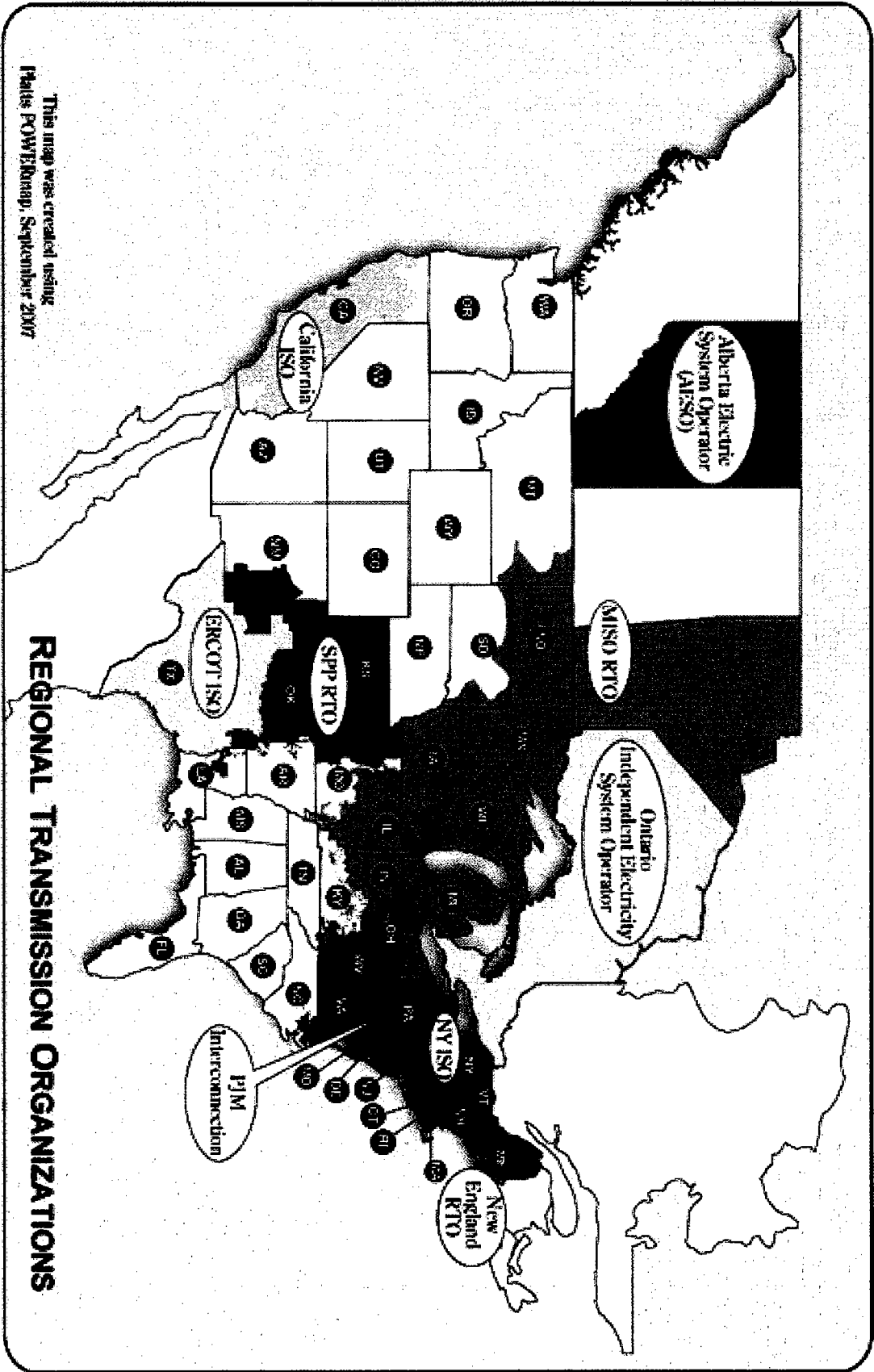
Energy Markets

Diverse, with varying levels of transparency



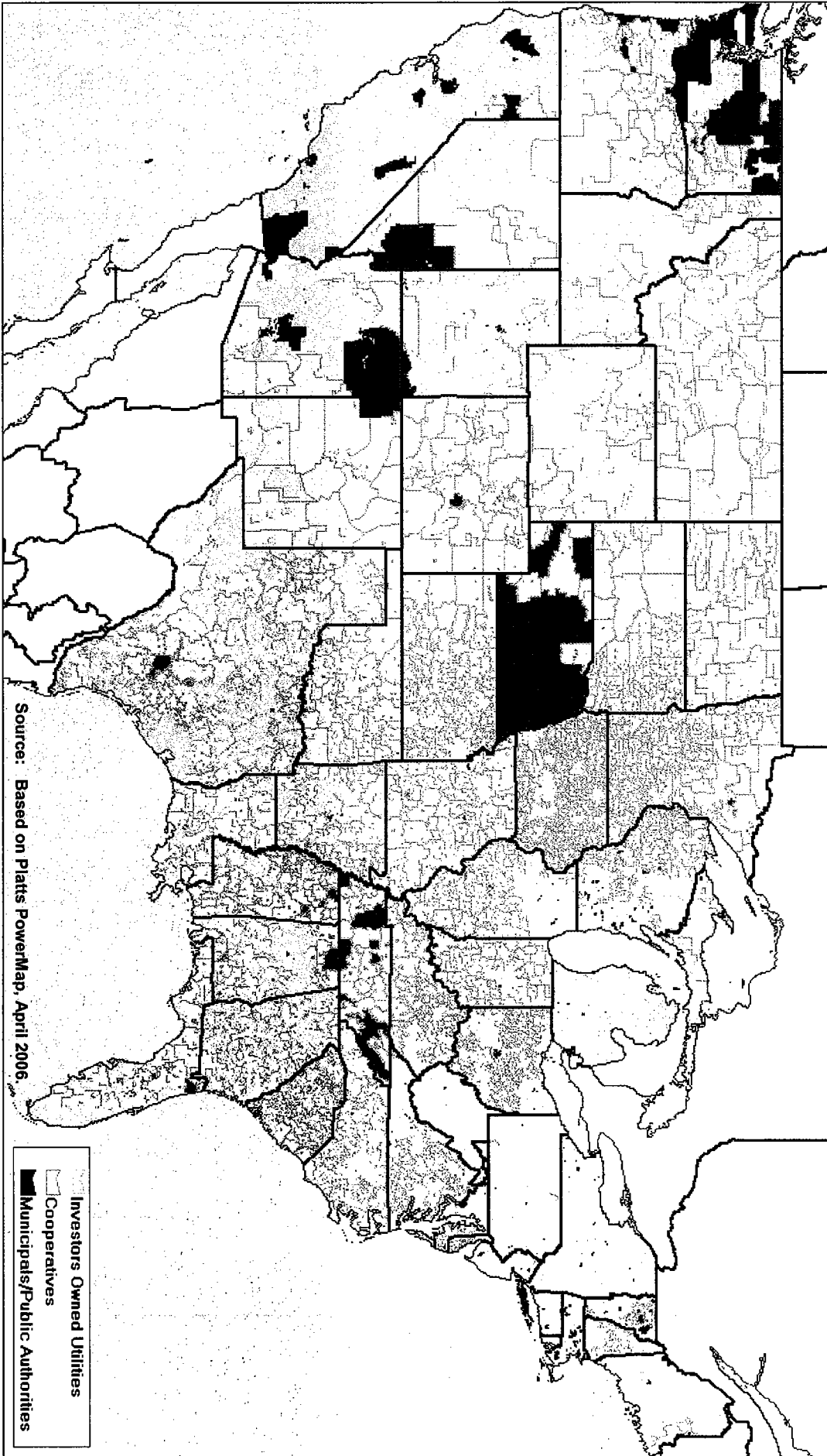
Source: FERC Office of Enforcement (revised 10/23/08)

* Significant FERC Jurisdiction/Oversight



This map was created using
 the POWERMap, September 2007

REGIONAL TRANSMISSION ORGANIZATIONS



Source: Based on Platts PowerMap, April 2006

Investors Owned Utilities
Cooperatives
Municipals/Public Authorities