

E&E Energywire

FERC eases enforcement rules

Jeremy Dillon, E&E News reporter

Published: Friday, April 3, 2020

The Federal Energy Regulatory Commission announced yesterday additional measures to relax enforcement for a host of regulations, including a halt to any new Office of Enforcement audits until the end of July.

The rollbacks are part of wider efforts aimed at helping the electric and natural gas sectors as they respond to the spread of the novel coronavirus, according to FERC.

"Regulated entities are taking extraordinary steps to ensure continuity for our energy systems during this unprecedented time," Republican FERC Chairman Neil Chatterjee said in a statement. "We're doing all we can to lift regulatory burdens and uncertainty, so that the focus can remain on critical front-line efforts."

Chief among those changes is direction to the Office of Enforcement staff to work more flexibly with ongoing audits and investigations, and schedule no new audits until after July 31.

In addition, staff "will only contact entities regarding surveillance inquiries that involve market behavior that could result in significant risk of harm to the market and thus require immediate attention," FERC said. "Inquiries not requiring immediate attention will be postponed to a later date."

Chatterjee said the commission "will not second-guess the good faith actions that regulated entities take in the face of this emergency."

Even with changes to the Office of Enforcement, FERC will stay on the lookout for bad actors, Chatterjee added.

"The Commission will remain vigilant during this challenging period and will continue its market surveillance efforts to protect market participants and consumers from the effects of anti-competitive behavior," he said.

Previously, Senate Democrats voiced concerns about the pace and amount of enforcement activities underway at the independent energy agency under Chatterjee.

The FERC chairman has also said the commission's pandemic response would not limit other regulatory work to finalize a host of changes to how the agency implements some federal laws, like the Public Utility Regulatory Policies Act ([***E&E Daily***](#), March 27).

FERC also launched two new staff task forces to process standards of conduct waiver requests and "no action letters" aimed at assuring businesses that their conduct won't be met with enforcement actions.

Chatterjee confirmed that the pandemic officially qualifies as an emergency, triggering the suspension of standards of conduct posting requirements, which cover how energy companies handle certain transmission data and employee information.

In addition, the commission said it plans to ease penalties for noncompliance of some regulations over the next few months, including the timeliness of self-reports and responses to Office of Enforcement audits.

The announcement highlighted that the commission would exercise "appropriate prosecutorial discretion in addressing events that arise during the emergency period," the commission said in a news release.