

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D. C. 20426

January 12, 2015

The Honorable Lisa Murkowski
Chairman
Energy & Natural Resources Committee
U.S. Senate
Washington, D.C. 20510

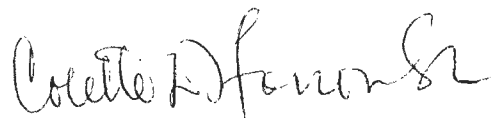
Dear Chairman Murkowski:

Thank you for allowing me to respond to your December 22, 2014, letter concerning the coordination between the Federal Energy Regulatory Commission (FERC or Commission) and the Environmental Protection Agency (EPA) in developing EPA's Clean Power Plan and other major EPA rulemakings.

Because of my recent arrival on the Commission, I do not have first-hand knowledge of the extent of the collaboration between FERC and EPA on EPA's rulemakings. However, in both my roles as the Chairman of the Arkansas Public Service Commission and as President of the National Association of Regulatory Utility Commissioners, I have convened meetings to discuss these rules. I understand the importance of coordination on matters that could affect the electric industry and note that GAO recently issued a report recognizing that FERC, EPA and the Department of Energy jointly conduct regular meetings with key industry stakeholders concerning EPA regulations. I fully support any effort by FERC and EPA to coordinate on issues concerning the reliability of the grid. I am pleased that FERC is holding technical conferences to discuss issues related to the effects of the Clean Power Plan on electric reliability, wholesale electric markets and operations, and energy infrastructure. I look forward to discussing these issues with my colleagues and stakeholders.

Reliability is of vital importance to this country, was a top priority for me in my daily work as Chairman of the Arkansas PSC and as President of NARUC, and will continue to be a top priority in my new role as a Commissioner at FERC. I look forward to continuing to discuss these issues with you.

Thank you,

A handwritten signature in black ink, appearing to read "Colette D. Honorable". The signature is fluid and cursive, with a large, stylized "C" at the beginning and a long, sweeping line extending to the right.

Colette D. Honorable
Commissioner

Responses of Colette D. Honorable

Commissioner

1. EPA officials have asserted that staff at FERC actively participated in the development of the Clean Power Plan Proposal.¹ Are you aware of, or have you or your staff personally participated in, any meetings or conversations that would support EPA's view of FERC's participation?

Answer: Because of my recent arrival on the Commission, I do not have first-hand knowledge of the extent of the collaboration between FERC and EPA on EPA's rulemakings.

2. Given the December 3 correspondence and the attachments, what, if anything, can you tell us about the nature and subject matter of any or all of the listed meetings?

Answer: See my response to question 1.

3. Based on the December 3 correspondence, what conclusions, if any, do you draw concerning the quality and impact of FERC's interaction with EPA as it relates to ensuring that EPA rules do not unduly burden electricity reliability?

Answer: As someone who has just joined the Commission, I am reluctant to draw conclusions on the interactions between FERC and EPA solely based on the December 3 correspondence. However, I look forward to discussing these issues with my colleagues and stakeholders.

4. To your knowledge, was FERC staff permitted access to EPA documents and proposals or otherwise afforded an opportunity for considered interaction on the substance of the Clean Power Plan proposal?

Answer: My understanding is that FERC staff had discussions with the EPA and provided input to the EPA on its proposal before its issuance through the Office of Management and Budget (OMB) interagency review process.

¹ See *EPA's Proposed Carbon Dioxide Regulations for Power Plants Before the H. Subcomm. on Energy and Power. Comm. on Energy and Commerce*, 113th Cong. (June 19, 2014). EPA Acting Assistant Administrator Janet McCabe testified that "I or my staff have consulted with staff at FERC. They are part of the interagency review process that we always go through, and so they have given us their input on electric reliability." *Id.* See also Erica Martinson, *Whiteboard Archives: EPA Working with FERC On Coal Rules*, POLITICO PRO, October 28, 2014 (quoting EPA's Associate Administrator for the Office of Policy as saying: "I think that we're closely in contact with FERC. There's a lot more impact from FERC on EPA's rules than there [sic] is from EPA on FERC's rules.").

5. Other than through the announced technical conferences, do you yourself presently anticipate future involvement with EPA before the Clean Power Plan rule or any other pending major EPA rulemaking that in your judgment is likely to bear on electric reliability is made final?

Answer: I would be interested in engaging with EPA on this matter, and am open to a variety of means for doing so, including the upcoming technical conferences to be held by FERC.

6. At this time are you aware of any established or forthcoming plan by EPA or the FERC staff to include you or your staff in substantive inter-agency interactions on these matters?

Answer: At this time, I am not aware of any such plans, but at a minimum I would expect to share my views on these matters with FERC's Chairman.

7. Based upon your personal knowledge, in its interactions with EPA concerning proposed or final major EPA rules that bear on electric reliability, has FERC acted adequately to protect electric reliability? If your answer is yes, please identify the facts that support your view.

Answer: See my response to question 1.