



REGULATORY UPDATE

Power Industry United in Request that FERC Withdraw Proposal to Provide More Data: a wide range of power industry trade groups filed comments on December 30 urging FERC to abandon a notice of proposed rulemaking (NOPR) that would require RTOs and ISOs to provide more specific data on entities that participate in their markets. The group told FERC that the NOPR is no longer relevant because it does not reflect the many substantive clarifications staff has provided since the NOPR was released in September 2015. They therefore claimed FERC should restart the rulemaking process by issuing a new or revised NOPR.

Under the proposal, regional market and grid operators would be required to report on their market participants and any "connected entities" and describe the relationships between those entities. FERC said it wanted the information to help its enforcement staff track activities across markets and identify potential acts of market manipulation. The trade groups and others found the definitions of the terms "connected entity" and "trader" to be confusing and expressed concern that the proposed requirements may be overly burdensome. FERC held the requested technical conference on Dec. 8, 2015, and extended the deadline for commenting on the NOPR to Jan. 22, 2016. The trade groups stated that the statements [made by Staff during the technical conference](#) and [Staff's presentation made at the conference](#) appear to show that the Commission's proposal is substantively different than the NOPR. The trade groups therefore asked FERC to suspend the Jan. 22 comment deadline and either withdraw the current NOPR or, at a minimum, supplement the NOPR with the guidance provided during the technical conference. You can read the NOPR [here](#) and the trade group's comments [here](#). FERC has not yet responded to the request.

EPA Urges FERC to Change Review Process of Gas Projects: in comments filed January 4 in the docket where FERC is assessing the proposed Magnolia Liquefied Natural Gas and Lake Charles Expansion LNG Project, the EPA noted that it has concerns regarding FERC's analysis of natural gas infrastructure projects. In particular, the EPA is concerned that FERC's analysis does not consider the indirect effects and greenhouse gas emissions levels of the proposed projects. EPA has raised these concerns before, and has been seeking to guide FERC to include more detail in the calculation of the climate impacts of individual natural gas projects. FERC has resisted, adhering to its traditional evaluation process under the National Environmental Policy Act (NEPA). You can review EPA's comments [here](#).

LEGISLATIVE UPDATE

House Passes Comprehensive Energy Legislation; Senate Bill Awaits Action: in December, the U.S. House passed the North American Security and Infrastructure Act of 2015 (H.R. 8). Among other things, the Act amends the Natural Gas Act to revise procedures for consideration by FERC of applications for

federal authorization of the exportation or importation of natural gas, including a deadline for a final decision on a federal authorization within 90 days after FERC issues its final environmental document. The bill also includes an amendment that would authorize crude oil exports. The bill was received in the Senate and referred to the Committee on Energy and Natural Resources on December 7th. You can read the current version of the bill [here](#).

The Senate has pending a fairly different energy bill (S. 2012), the Energy Policy Modernization Act of 2015. That bill was favorably reported by the Senate Energy and Natural Resources Committee in September, but it continues to sit on the calendar while its sponsors wait for an opening on the floor. The 350-plus page bill has five sections, called titles, on Efficiency, Infrastructure, Supply, Accountability, and Conservation Reauthorization. You can read the bill [here](#) and a more detailed summary of the bill [here](#).

ENFORCEMENT UPDATE

Coaltrain Energy, L.P., Peter Jones, Shawn Sheehan, Robert Jones, Jeff Miller, Jack Wells, and Adam Hughes: on January 6, FERC issued an Order to Show Cause and Notice of Proposed Penalty to Coaltrain Energy, L.P. (Coaltrain), Coaltrain's co-owners Peter Jones and Shawn Sheehan, and traders/analysts Robert Jones, Jeff Miller, Jack Wells, and Adam Hughes, to show cause why they should not be found to have violated the Commission's regulations and the Federal Power Act by engaging in fraudulent Up To Congestion (UTC) transactions in PJM Interconnection L.L.C.'s energy markets. The Commission proposed penalty amounts of \$26M to Coaltrain, \$5M to each of the co-owners, and between \$1M and \$250K to each of the traders. You can read the FERC's order [here](#).

ETRACOM LLC and Michael Rosenberg: on December 16, FERC issued an Order to Show Cause and Notice of Proposed Penalty to ETRACOM LLC (ETRACOM) and its principal member and primary trader Michael Rosenberg to show cause why they should not be found to have violated the Commission's regulations and the Federal Power Act by submitting virtual supply transactions at the New Melones intertie at the border of the California Independent System Operator wholesale electric market in order to affect power prices and economically benefit ETRACOM's Congestion Revenue Rights sourced at that location; (ii) why ETRACOM should not pay a civil penalty in the amount of \$2,400,000; (iii) why Rosenberg should not pay a civil penalty in the amount of \$100,000. You can read FERC's order [here](#).

CLEAN POWER PLAN UPDATE

U.S. EPA's Clean Power Plan will continue to enjoy the spotlight in 2016 as the Obama administration works to follow through on international commitments to reduce greenhouse gas emissions. States must submit at least initial thoughts about how they might cut power-sector carbon emissions by Sept. 6. Twenty-seven states are suing EPA, but most have already begun planning activity to meet the upcoming deadlines. A December 23rd joint filing of numerous states in the case of *State of West Virginia v. United States Environmental Protection Agency* argues that the Clean Power Plan "is an unprecedented attempt by this nation's environmental regulator to force States to reorder their mix of electricity generation." The pleading asks the Court to stay the Clean Power Plan until the Court has a "full opportunity to review" the rule. You can review this pleading [here](#).

ON THE HORIZON

- Next PGC Meeting: January 8, 2016, 12:00 p.m. ET – 1:00 p.m. ET [Call-in: 888-857-7121; Passcode: 202 661 7607]
- Next Commission Meeting: January 21, 2016
- Upcoming PGC In-Person Meeting in Washington, D.C: February 9 (Board Meeting and Dinner) and February 10 (PGC Member Meeting)

CONTACT INFORMATION

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