Federal Energy Regulatory Commission (FERC) Fiscal Year 2024 Agency Report

1. Please provide a summary of your agency's activities undertaken to carry out the provisions of OMB Circular A-119, "Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities" and the National Technology Transfer and Advance Act (NTTAA). The summary should contain a link to the agency's standards-specific website(s) where information about your agency's standards and conformity assessment related activities are available.

FERC uses voluntary consensus standards (VCSs) to achieve its regulatory mission. As described below, FERC primarily uses standards provided by the North American Energy Standards Board (NAESB) [1] and North American Electric Reliability Corporation (NERC). [2] FERC's use of the NAESB standards in the context of natural gas pipelines can be found here: https://www.ferc.gov/industries-data/natural-gas/overview/natural-gas-pipelines/standards-business-practices-interstate, and FERC's use of NERC standards is described here: https://www.ferc.gov/electric-reliability.

NAESB

FERC has relied on business practice standards developed and promoted by NAESB to facilitate well-functioning wholesale gas and electric markets. NAESB, an American National Standards Institute accredited consensus standards development organization, develops and adopts voluntary standards and model business practices designed to promote competitive and efficient natural gas and electric service. FERC's use of NAESB-developed wholesale gas and electric standards ensure that the incorporated business practices and technical guidelines have broad industry development, involvement, and endorsement. From time to time, as FERC considers appropriate, select NAESB standards applicable to wholesale natural gas and wholesale electric business practices are incorporated by reference into FERC's regulations.[3]

NERC

Pursuant to separate statutory authority provided in section 215 of the Federal Power Act, FERC reviews reliability standards developed by NERC, which are not subject to the reporting requirement in OMB Circular A-119. [4] NERC reliability standards define the reliability requirements for planning and

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[1] NAESB's website may be found at http://www.naesb.org/.

[2] NERC's reliability standards may also be found here at https://www.nerc.com/pa/Stand/Pages/default.aspx.

[3] *See, e.g.,* 18 C.F.R. Part 38 titled Business Practice Standards and Communication Protocols for Public Utilities, and 18 C.F.R. § 284.12 titled Standards for Pipeline Business Operations and Communications.

[4] *See* Office of Management and Budget, *OMB Circular A-119: Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities*, p. 17 (January 22, 2016) (stating the reporting requirement does not apply to independent agencies "subject to separate statutory requirements regarding the use of voluntary consensus standards."); 16 U.S.C. § 824o(d) (providing separate statutory authority regarding reliability standards). Accordingly, these NERC reliability standards are referenced exclusively for informational purposes.

operating the North American bulk power system. NERC develops the reliability standards using an industry-driven American National Standards Institute (ANSI) accredited process that ensures the process is: (1) open to all persons who are directly and materially affected by the reliability of the North American bulk power system; (2) transparent to the public; (3) demonstrates the consensus for each standard; (4) fairly balances the interests of all stakeholders; (5) provides for reasonable notice and opportunity for comment; and (6) enables the development of standards in a timely manner. Upon review, FERC can either approve the proposed standards or remand them back to the electric reliability organization for further consideration. The reliability standards become mandatory and enforceable only after they are approved by FERC.

2. Please list the government-unique standards (GUS) your agency began using in lieu of voluntary consensus standards during FY 2024. Please note that GUS which are still in effect from previous years should continue to be listed, thus the total number in your agency's report will include all GUS currently in use (previous years and new as of this FY):

FERC has one Government Unique Standard from FY2024.
Updating Regulations for Engineering and Design Materials for Liquefied Natural Gas Facilities Related to Potential Impacts Caused by Natural Hazards, 185 FERC 61050 (Oct. 23, 2023) (codifying FERC's existing practice that requires applicants to file information as needed pursuant to sections 3 or 7 of the Natural Gas Act in order for staff to evaluate the natural hazards and design criteria related to a proposed LNG facility).

Rationale
The Final Rule does not adopt voluntary consensus standards related to natural hazard evaluation and design criteria for Liquefied Natural Gas (LNG) structures, systems, and components because adopting such standards would be impractical. FERC's evaluation and analysis of LNG applications, which propose technically diverse types of facilities, must consider the unique locations in which the LNG facilities will be sited, constructed, and operated. Over 2,500 standards exist that could be applicable to an LNG structure, system, or component. To ensure that all types of proposals are covered by a single standard would require that FERC codify every potential consensus standard that could apply in its various LNG proceedings. Such an effort would be infeasible and would confuse applicants about which standards FERC expects them to apply to their proposal.

By having LNG applicants identify all federal regulations, codes, and standards that apply to their project-specific and site-specific proposal, FERC may evaluate applications for LNG facilities on a case-by-case basis and consider the federal regulations, codes, and standards that apply (including any voluntary consensus standards that are adopted into those regulations). Based on this information, FERC can more effectively coordinate with other federal agencies that have jurisdiction over the proposal; evaluate whether the identified regulations, codes, and standards contain informational gaps; and recommend modifications or conditions to be included in FERC’s authorization. This approach reduces the risk of adverse effects to the public and the environment.