

Robert F. Powelson Gives Final Words to EBA Upon Leaving FERC



[He Continues to be a Leader in Energy Policy, focusing on the Water Industry, Including its Need for Cyber and Physical Infrastructure Protection, as an Ingestible Product](#)

In the waning days of his Commissionership at the Federal Energy Regulatory Commission, Robert F. Powelson graciously made himself available for an interview with press hounds Gary Guy and David Martin Connelly (aka “Ray Scherer and Robert Pierpoint”). Here are highlights of our conversation.

Logical Progression to FERC and Beyond

He believes that it was a logical and well-traversed “pathway” for him to come to FERC after Chairing the Pennsylvania PUC and serving as President NARUC and MACRUC. As Mr. Powelson sees it, “FERC has been blessed with Commissioners who have been grounded in state regulatory affairs,” both in terms of understanding markets in retail competition and those that are maintained through traditional regulation. His own state of Pennsylvania will soon be celebrating its 25th year anniversary of 1995 retail competition begun under Gov. Tom Ridge, he noted. In other words, Commissioner Powelson looks at it as an “incredible opportunity” for him to take what he did at the PaPUC, NARUC, and MACRUC, and to maintain those relationships once he came to FERC, and into his post-FERC trade association leadership.

For example, Mr. Powell served on Pennsylvania Gov. Corbett’s Marcellus Shale Commission and lived through its development for its first exploratory well in 2004 through its ramping up into a recognized prolific 500 trillion cubic feet of gas supply. He worked on updating Pennsylvania’s antiquated Oil and Gas Act 1952 to deal with this development, which he likens to Uber’s impact on the taxi business. He saw that the Pennsylvania and Ohio regulatory compact on safety was “behind the 8 ball” by concentrating on stripper wells, but not addressing horizontal drilling. He and his team updated the Oil and Gas Act and regulations in Pennsylvania, in providing wellhead casing standards for the wellhead, water recycling, integrating coordination with Pennsylvania’s one-call system for drillers to communicate with emergency preparedness officials, and providing set back requirements for streams. Marcellus development in Pennsylvania allowed for the collection and distribution of an impact fee, with pipeline safety oversight. This pioneering undertaking served him well once he came to FERC

where he proved to be a “thought leader” in advancing a cooperative federal review and approval of natural gas pipeline and LNG facilities, with positive outcomes. As he puts it, the coalition within Pennsylvania and Ohio in identifying and maintain best practices on Marcellus shale “shaped my DNA” in addressing certificate matters at FERC.

Looking ahead, his Chairmanship of the NARUC Water Committee for 5 years has likewise paved the way for him to now provide leadership as President and CEO of the National Water Association. Although he “didn’t see it coming,” he concluded that he could not pass up the opportunity when it presented itself to him.



“Fiercely loyal to a cause.”

“Fiercely loyal to a cause,” he spent 8 1/2 years at the Pennsylvania Commission, a year at FERC, and now is heading up the NWG, consistently working with water/energy nexus issues, involving grid reliability and grid resiliency. Concerning water, a necessity for heating and cooling, he is focused heavily on the safety and environmental aspects. He points out that water is the only energy product that is ingested and must be safeguarded against having any harmful impact.

He points to the lessons learned in Flint, Michigan, with high concentrations of lead in the water supply. The critical issues of energy infrastructure and cyber security, so heavily emphasized in the electric and gas sectors, are equally critically in the water industry, which is more highly regulated by the states and the federal government. He intends to make sure that water “has a seat at the table” in cyber developments especially. Having a track record of building high impact teams with pro-active approaches, he with those who know him and have worked with him over the years to advance “a play book of deliverables” on state water policy, including a key push on investment. So, he is, in many respects, moving on an upward trajectory

that has been based on one successful endeavor upon another. Each of many subject matters have been on his radar screen from many different standpoints, and he remains heavily engaged in them.

Outspokenness at FERC: Disagreeing with the DOE

Those who did not already know of Robert Powelson before he was nominated as a FERC Commissioner, quickly got a flavor of the man when he quickly stated his disdain for a DOE proposal to FERC to act to protect the coal and nuclear industries in the name of advancing grid resiliency. “I’m not bashful in expressing an opinion,” he states. He was convinced that we needed to take a pause, look at metrics, get beyond dogma and take a holistic approach on how markets value grid resiliency. “Maybe my outspokenness has led to grid resiliency studies,” he states. If so, this is all to the good, he maintains because “a hard, federal mandate across markets would be devastating and regressive.”

“I’m not bashful about expressing an opinion.”



In that regard, he clearly sees himself as within the vanguard of FERC Chairs Pat Wood and Betsy Mohler, who he credits with having paved the way for competition in bulk power with organized markets, making us a model for the world. “Why pick winners and losers in markets?”, he asks. He proclaims that markets work and are dynamic. He is comfortable that with rejection of the DOE proposal, we can now continue with an “adult conversation within the RTOs and ISOs in addressing resiliency, “not bailouts” of noncompetitive market participants.

Security Concerns

His cyber security clearance stays with him, and he intends to stay active in this area. Again, his cyber roots go back to his Pennsylvania regulator days through FERC, allowing him to have worked with the “best minds” on the subject, Mike Bardee, Joe McClelland, and David Ortiz. He credits FERC with having provided tremendous resources to Pennsylvania through a

three-day training program using top level reports on cyber design protocols that have now been codified. He observed regulated utilities in Pennsylvania, LDCs, EDCs, and water companies, “up their game” to deal with this threat. He maintains that now other states have ramped up management audits, beyond box checking, because they have been provided a tool kit on what to look at, such as with vendor arrangements, to be cyber compliant.

Working with the “best minds” on cyber security – and keeping his security clearance for future involvement.

Having seen how this has been accomplished, Mr. Powelson is intent to advocate for further advances in both cyber and physical security measures, because the alarming threats are not going away. He will use his background, security clearance, and advocacy skills with those he knows in state government to stay part of the conversation on keeping on top of these enormous challenges.

All Together Now

Mr. Powelson is appreciative of the fact that when it comes to regulating energy, politics is not a factor among either the FERC Commissioners or the Commissioners he served with in Pennsylvania. Most of the outcomes at both agencies has been five to zero, and when there are divisions that are not necessarily on party lines. As an example, he points to FERC Chairman McIntyre demonstrating a strong commitment to collegiality in issuance of the inquiry into possible changes in the agency’s 1999 policy statement on pipeline certification. He sees this as a demonstration that FERC is calibrated by statute to make decisions. He remains bullish that his dear friends on the Commission will continue to collegially solve problems, despite a nominal even division by party among the four that in place until the vacancy is filled. In addition, he sees FERC Staff as composed of extraordinary professionals who stay outside the fray of partisan politics.

He himself was a business booster in Chester County, Pennsylvania and not a political operator when, in 2008, the Senate Majority Leader, a Democrat, sought him out to allow the Democratic Governor, Ed Rendell, to place him on the PUC without regard to his Republican party affiliation. With the issues they saw facing the Commission, namely, implementing Renewable Portfolio Standards, and addressing the evolution of Marcellus, they wanted a new breed of regulator, one who was engaged in economic development at a large Chamber of Commerce and attracting business, not a retired politician looking to pad his pension with a stint at another government office. That put him on an unsought road to public service, with three unanimously confirmed state senate votes following nominations from Governors from both parties, through his days at FERC.

He advises the EBA practitioner to have a similar devotion to ethical integrity and transparency in advocacy, not appeals to self-proclaimed emergencies based on allusions to a “Korean War doctrine” invoking a little used FPA provision. He says such advocacy “does not yield thought provoking conversation or make regulatory sense.”

He says it is important to be pro-active in pre-filing meetings, to be engaged in dockets, to “flashpoint issues that pop up,” and to work with regulators in finding solutions, interfacing with the Staff as well as with the Commissioners. Firms that practice this approach will “fare well in regulatory treatment.”

Good words of wisdom with which to be bestowed by our departing FERC Commissioner Powelson!

Rockin' with Powelson

Favorite thing about D.C.: Vibrancy of the City.

Least favorite thing about D.C.: Traffic and taxes.

Favorite DC Restaurant: Monocle.

Pats or Geno: What about D'Alessandro's?

Most admired public figure: Dwight D. Eisenhower (former Eisenhower fellow); Bobby Kennedy, a "tenacious fighter for a cause" (named Robert F. after him).

Favorite holiday: Christmas and Thanksgiving.

Something Surprising about him: He was a Championship Ivy League Coach.

Prediction for Eagles: We should be playing football in February

Advice that served him well: Knowing when to use hard power and soft power and when to create an equilibrium, told him by Colin Powell. Likewise, continue to do the boring good.

Liberty Bell or Independence Hall: How about the Constitution Center?

Most beautiful place ever seen: The Maine coast.

Favorite junk food: Pretzels.

Favoring *Rocky* Movie: *Rocky II*; he gets redemption.

Something about water that would surprise a FERC practitioner: Produce at a penny a gallon. Only utility we ingest; we have to get it right.

Favorite TV Show: Golf Channel; Sunday after dinner, watching *60 minutes* with a glass of cabernet.

Most proud of: Personally, 20 years of marriage to a successful spouse and 2 sons who excel at academics and sports. Professionally, a team who challenge him and are very competent. And his FERC colleagues

Greatest accomplishment: A steadfast supporter and national thought leader on energy infrastructure and energy innovation. Never wavered in support of LNG, hydro relicensing, support of storage NOPR, advancing grid security, dealing with this issues at FERC, the epicenter of energy innovation. Will bring that energy innovation mindset to his new job.