



FERC Inquiry to Explore Investor Influence on Public Utilities

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By: Stephen J. Hug, Emily P. Mallen, Scott Daniel Johnson, Ben N. Reiter

March 26, 2024 is the deadline for comments on a Notice of Inquiry issued by the Federal Energy Regulatory Commission ("FERC" or "Commission") at the end of 2023 on whether the Commission should modify its policies respecting the availability of blanket authorizations under Section 203(a)(2) of the Federal Power Act ("FPA"), including its evaluation of whether an investor has the ability to control a utility.

The NOI dovetails with concerns certain Commissioners have expressed that large investors in public utilities that have been granted blanket authorization to acquire utility securities as passive interest owners are exercising control to influence utility decisions, including utilities' environmental, social, and corporate governance ("ESG") commitments and decarbonization initiatives.

While the NOI does not propose any specific changes to the Commission's existing blanket authorizations or control analysis, the NOI is notable in that it suggests that the Commission is considering revisiting its policies respecting passive investments by large institutional investors and expanding its evaluation of whether the acquisition of utility securities is in the public interest.

It is not clear whether FERC will pursue any concrete changes in these areas. But a decision by FERC to revisit its approach to passive investments or to modify its Section 203 framework would represent a significant change in Commission policy that could have implications for both investors and utilities.

Read the full article [here](#).

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