

APPENDIX B: FY2023 CIVIL PENALTY ENFORCEMENT ACTIONS

Subject of Investigation and Order Date	Total Payment	Explanation of Violations
<p>Coaltrain Energy, L.P., Peter Jones, Shawn Sheehan, Robert Jones, Jeff Miller, Jack Wells, Docket No. IN16-4-000 and <i>FERC v. Coaltrain Energy, L.P. et al.</i>, Case No. 2:16-cv-732 (S.D. Ohio), Order Approving Stipulation and Consent Agreement, 181 FERC ¶ 61,031 (Oct. 11, 2022)</p>	<p>\$4,000,000 disgorgement.</p>	<p>Following an Order to Show Cause proceeding, the Commission issued an Order Assessing Civil Penalties against Coaltrain Energy, L.P. (Coaltrain), Peter Jones, Shawn Sheehan, Robert Jones, Jeff Miller, Jack Wells. The order found that Coaltrain and the named individuals violated section 1c.2 of the Commission’s regulations and section 222 of the Federal Power Act (FPA) by engaging in fraudulent Up To Congestion (UTC) transactions in PJM Interconnection L.L.C.’s energy markets. The Commission declined to find Adam Hughes to have individually violated section 1c.2. The order further found that Coaltrain Energy, L.P. violated 18 C.F.R. § 35.41(b) of the Commission’s rules through false and misleading statements and material omissions relating to the existence of documents responsive to data requests and relating to the trading conduct at issue in the matter. Finally, the order assessed disgorgement and civil penalties as outlined for the violations. Coaltrain and the other named respondents elected the procedures of FPA section 31(d)(3), in which the Commission assesses a penalty and if the disgorgement and civil penalties are not paid within 60 days, the Commission institutes an action in federal district court to affirm the assessment.</p> <p>On October 11, 2022, the Commission issued an Order approving a settlement agreement between Enforcement and Coaltrain, finding that the Agreement resolves on fair and equitable terms the Commission’s claims against Coaltrain and the named individuals for violations of section 222 of the FPA and the Commission’s Anti-Manipulation Rule, and the Commission’s Duty of Candor Rule, 18 C.F.R. § 35.41(b). Coaltrain neither admitted nor denied the alleged violations. The Agreement also resolves the Commission’s lawsuit</p>

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		captioned <i>FERC v. Coaltrain Energy, L.P., et al.</i> , No. 2:16-cv-00732 (MHW) (S.D. Ohio).
Todd Meinershagen, Order Approving Stipulation and Consent Agreement, IN23-4-000, 181 FERC ¶ 61,251 (Dec. 21, 2022)	\$525,451.93 disgorgement.	On December 21, 2022, the Commission issued an order approving the settlement of Enforcement staff’s investigation of Todd Meinershagen, co-owner of a demand response aggregator (Company A), into whether Company A engaged in a fraudulent scheme to register demand response resources with MISO without those resources’ knowledge or consent, and cleared Load Modifying Resource capacity that would not have performed if the resources were dispatched. Enforcement staff’s investigation determined that Company A violated the Commission’s Anti-Manipulation Rule and sections 69A.3.5 and 69A.7.1 of the MISO Tariff. Under the settlement agreement, Mr. Meinershagen stipulated to the facts and, based on the stipulated facts, as co-owner of Company A admitted to the violations by Company A described in the agreement.
FirstEnergy Corp., Docket No. IN23-2-000, Order Approving Stipulation and Consent Agreement, 181 FERC ¶ 61,277 (Dec. 30, 2022)	\$3,860,000 civil penalty.	On December 30, 2022, the Commission issued an order approving the settlement of Enforcement staff’s investigation of FirstEnergy Corp. (FirstEnergy). Enforcement investigated whether FirstEnergy omitted material information that was responsive to data requests issued by auditors from Enforcement’s DAA during its audit of FirstEnergy and its affiliates and subsidiaries. Enforcement staff determined that FirstEnergy had omitted certain material information, which violated the Commission’s Duty of Candor rule, 18 C.F.R. § 35.41(b), and the audit provisions of the Public Utility Holding Company Act of 2005, section 301 of the FPA, and the related provisions of Commission regulations at 18 C.F.R. § 366.2. Under the terms of the settlement, FirstEnergy stipulated to the facts and admitted to the violations.
PacifiCorp, Docket No. IN21-6-000, Order Approving Stipulation and	\$4,400,000 civil penalty.	On December 30, 2022, the Commission approved a settlement agreement between Enforcement and PacifiCorp resolving Enforcement’s investigation into PacifiCorp’s lack of compliance with

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Consent Agreement, 181 FERC ¶ 61,278 (Dec. 30, 2022)		the Reliability Standards that regulate transmission line clearances and the resulting Order to Show Cause proceeding. PacifiCorp stipulated to the facts in the Agreement and neither admitted nor denied Enforcement’s determination that PacifiCorp violated Federal Power Act section 215(b)(1) and 18 C.F.R. § 39.2(b) (2022) between August 31, 2009 and August 2017 by failing to comply with FAC-009-1 R1, which requires a transmission owner, such as PacifiCorp, to establish and have facility ratings that are consistent with its Facilities Rating Methodology.
Leapfrog Power, Inc., Docket No. IN23-7-000, Order Approving Stipulation and Consent Agreement, 183 FERC ¶ 61,137 (May 22, 2023)	\$73,880 civil penalty; \$46,120 disgorgement.	On May 22, 2023, the Commission issued an order approving the settlement of Enforcement staff’s investigation of Leapfrog Power, Inc. (LEAP). Enforcement staff investigated whether the company, a demand response aggregator, bid into CAISO’s day ahead and real time markets in quantities of demand response that were not actually available, thereby violating CAISO’s tariff. Enforcement concluded that a substantial majority of the bids LEAP made into CAISO’s day ahead market from February through August 2019 respectively exceeded the registered metered load of LEAP’s individual customers. Thus, Enforcement staff found that LEAP could not have reasonably expected to fulfill the bids in violation of CAISO tariff section 37.3.1.1. In the settlement, LEAP stipulated to the facts but neither admitted nor denied the alleged violation.

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OhmConnect, Inc., Docket No. IN23-6-000, Order Approving Stipulation and Consent Agreement, 183 FERC ¶ 61,136 (May 22, 2023)	\$141,094 civil penalty; \$8,906 disgorgement.	On May 22, 2023, the Commission issued an order approving the settlement of Enforcement staff’s investigation of OhmConnect, Inc. (Ohm). Enforcement staff investigated whether the company, a demand response aggregator, bid into CAISO’s day ahead and real time markets in quantities of demand response that were not actually available, thereby violating CAISO’s tariff. Enforcement concluded that a substantial majority of the bids Ohm made into CAISO’s day ahead market from January through June 2018 exceeded the registered metered load of Ohm’s individual customers. Thus, Enforcement staff found that Ohm could not have reasonably expected to fulfill the bids in violation of CAISO tariff section 37.3.1.1. In the settlement, Ohm stipulated to the facts but neither admitted nor denied the alleged violation.
Entergy Arkansas, LLC, Docket No. IN23-5-000, Order Approving Stipulation and Consent Agreement, 183 FERC ¶ 61,207 (June 22, 2023)	\$52,000 civil penalty.	On June 22, 2022, the Commission issued an order approving the settlement of Enforcement staff’s investigation of Entergy Arkansas, LLC (Entergy). Enforcement staff investigated whether Entergy submitted erroneous offers for its Hot Springs generation facility on April 21, July 14, and September 17 and 18, 2020. Enforcement staff determined that Entergy violated section 40.2.5e of the MISO Tariff and sections 35.41 (a) and 35.41(b) of the Commission’s regulations by submitting Economic Minimum and Economic Maximum values that restricted MISO’s ability to dispatch Hot Springs above or below a certain MW level, while indicating that Hot Springs was available for dispatch by MISO. Under the terms of the settlement, Entergy neither admitted nor denied the violations, but agreed to pay a civil penalty of \$52,000 and undertake compliance monitoring for two years with the option of Enforcement to extend it an additional year.

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Pacific Summit Energy LLC (Pacific Summit), Docket No. IN23-9-000, Order Approving Stipulation and Consent Agreement, 183 FERC ¶ 61,236 (June 30, 2023)	\$360,000 civil penalty; \$154,623 disgorgement.	On June 30, 2023, the Commission issued an order approving the settlement of Enforcement staff’s investigation of Pacific Summit Energy, LLC (Pacific Summit). Enforcement staff’s investigation found that Pacific Summit engaged in a related-positions fraudulent scheme involving physical trading at Transco Zone 6 for the purpose of benefiting related financial positions during the October 2017 Bidweek (September 25-29, 2017), in violation of section 4A of the NGA, 15 U.S.C. § 717c-1, and the Commission’s Anti-Manipulation Rule, 18 C.F.R. § 1c.1. Under the terms of the settlement, Pacific Summit stipulated to the facts, but neither admitted nor denied the violations.
BP America Inc., BP Corporation North America Inc., BP America Production Company, BP Energy Company, Docket Nos. IN13-15-000, Order Approving Stipulation and Consent Agreement, 184 FERC ¶ 61,016 (July 7, 2023)	\$10,750,000 civil penalty; \$250,295 disgorgement.	<p>On August 5, 2013, the Commission issued an OSC to several BP entities directing BP to show cause why the Commission should not: (1) find that BP violated the Commission’s Anti Manipulation Rule and section 4A of the NGA by manipulating the next-day, fixed-price natural gas market at Houston Ship Channel from September 2008 to November 2008; (2) impose a civil penalty in the amount of \$28,000,000; and (3) require BP to disgorge \$800,000 of unjust profits. Following an OSC proceeding and a hearing before an ALJ, the Commission determined that BP engaged in market manipulation in violation of NGA section 4A and the Commission’s Anti-Manipulation Rule, 18 C.F.R. § 1c.1. Based on this determination and the findings in the ALJ hearing, the Commission ordered a civil penalty of \$20,160,000 and disgorgement of \$207,169. The Commission set forth these decisions in both its 2016 Order on Initial Decision and Rehearing and its 2020 Order Addressing Arguments Raised on Rehearing.</p> <p>BP appealed the Commission’s 2020 Order to the United States Court of Appeals for the Fifth Circuit, which, in October 2022, affirmed the Commission’s findings—including the finding of manipulation—with the exception of the Commission’s jurisdictional rulings. On</p>

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		<p>jurisdiction, the Fifth Circuit held that the Commission could not base its market manipulation charges on BP’s intrastate transactions, but that it properly asserted jurisdiction over 18 other transactions that were subject to NGA jurisdiction because they involved gas that had, at one time, been sold or transported interstate. The Fifth Circuit remanded the case to the Commission to calculate a civil penalty consistent with the Fifth Circuit’s ruling on jurisdiction. Before the Commission took action with regard to the remand, BP and OE entered into a settlement.</p> <p>On July 7, 2023, the Commission approved a settlement resolving this matter. In the settlement, BP stipulates to the facts set forth in the settlement and acknowledges that an earlier Fifth Circuit opinion and order upheld the Commission’s finding of manipulation as to 18 jurisdictional transactions.</p>
<p>NRG Energy, Inc., Docket No. IN23-3-000, Order Approving Stipulation and Consent Agreement, 184 FERC ¶ 61,026 (July 20, 2023)</p>	<p>\$37,342 civil penalty; \$32,658 disgorgement.</p>	<p>On July 20, 2023, the Commission issued an order approving the settlement with NRG Energy, Inc. (NRG). The order resolved Enforcement staff’s investigation into whether NRG violated Attachment K-Appendix, section 6.6 of the PJM Tariff and 18 C.F.R. § 35.41(a) for failure to comply with Parameter Limited Schedule requirements in the operation of its combustion turbine units at its Fisk facility in Chicago, Illinois for the entirety of the delivery years beginning June 2018 and June 2019, and 10 months of the delivery year beginning June 2020 (the Delivery Years). Parameter limits establish operating standards for the non-dollar denominated portion of the offers for generation capacity resources such that the submitted offer parameters are at least as flexible as the parameter limits. These include, as applicable to Enforcement staff’s investigation, a minimum notification time, which is the time needed by a generation resource from inception of the PJM dispatch notification to the initiation of the</p>

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		<p>start sequence for generation. PJM determined the minimum unit notification time for combustion turbine units to be 0.1 hours. Enforcement found that NRG did not comply with the 0.1-hour notification time required by PJM during the Delivery Years, and instead used a three-hour notification time. NRG stipulated to the facts but neither admitted nor denied the alleged violations.</p>
<p>Big River Steel LLC and Entergy Arkansas, LLC, Docket No. IN23-11-000, Order Approving Stipulation and Consent Agreement, 184 FERC ¶ 61,111 (Aug. 21, 2023)</p>	<p>\$6,000,000 civil penalty; \$15,940,399 disgorgement by Big River Steel. \$5,033,780 disgorgement by Entergy.</p>	<p>On August 21, 2023, the Commission issued an Order approving the settlement resolving Enforcement staff’s investigation of Big River Steel, LLC (Big River Steel) and Entergy Arkansas, LLC (Entergy) over Big River Steel’s participation, through Entergy as its sponsoring utility, in a MISO demand response program. Big River Steel operates a large steel plant in Arkansas, which uses as much as 300 MW to run smelters and other equipment. During the period in question (2016-2022, with the exception of a few days in February 2021), Big River Steel took no steps to reduce its energy usage when it received demand response awards from MISO. But because its electricity use varied widely in the normal course of business, Big River Steel collected “demand response” payments when its load levels were lower than a baseline calculated according to a MISO formula.</p> <p>Enforcement staff determined that Big River Steel’s failure to reduce its loads when it received demand response awards from MISO violated the ISO’s tariff. Big River Steel and Entergy stipulated to the facts set forth in the settlement agreement but neither admitted nor denied a violation.</p>

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<p>Georgia-Pacific Crossett LLC, Docket No. IN23-12-000, Order Approving Stipulation and Consent Agreement, 184 FERC ¶ 61,151 (September 13, 2023)</p>	<p>\$1,200,000 civil penalty.</p>	<p>On September 13, 2023, the Commission issued an order approving the settlement of Enforcement staff’s investigation into whether Georgia-Pacific Crossett, LLC (Georgia-Pacific) violated any Commission statutes, rules, regulations, or orders, including but not limited to 18 C.F.R. section 157, in connection with the abandonment of the 19.5 mile, 8-inch diameter interstate pipeline at issue in Commission Docket No. CP22-16. Enforcement staff’s investigation found that Georgia-Pacific (a) violated section 7(b) of the NGA, 15 U.S.C. § 717f(b), by abandoning the pipeline without Commission approval, and (b) violated section 157.5 of the Commission’s regulations by failing to set forth all information necessary to fully advise the Commission concerning the company’s request for approval to abandon the pipeline. In its abandonment application and in its later communications with the Commission in response to Commission information requests, Georgia-Pacific described abandonment activities that already occurred as if they would be occurring in the future. Under the terms of the settlement, Georgia-Pacific stipulated to the facts, but neither admitted nor denied the violations.</p>