



FERC's Annual Enforcement Report – Understanding Trends and Preparing for an Uncertain Future

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With a changing landscape ahead, on November 21, 2024, the Federal Energy Regulatory Commission (FERC) released its [2024 Annual Report on Enforcement](#), detailing the agency's enforcement activities over the past fiscal year. The Enforcement Report shows a notable increase in investigative activity and a surge in settlement recoveries. As discussed below, companies are well-advised to take specific actions to identify, avoid, and mitigate compliance risk amidst increasing uncertainty.

In 2025, FERC enforcement initiatives will face an intersecting mix of potential changes in leadership, implementation of post-*Jarkesy* enforcement practices (see [Following Jarkesy, FERC Signals Sea Change in Enforcement | Van Ness Feldman LLP](#)), and implementation of changes in settlement procedures (see [FERC Announces Changes in Enforcement Procedures | Van Ness Feldman LLP](#)). Further, the specter of agency restructuring, (Elon Musk, Vivek Ramaswamy. "[The DOGE Plan to Reform Government](#)." Wall Street Journal, Nov 20, 2024.) ,or redesignation of staff through federal personnel rules akin to [Executive Order 13957](#), also known as Schedule F, from President-Elect Donald Trump's first Administration, could disrupt key decision-making structures for enforcement activities.

The Commission's 2024 Enforcement Report reflects an increasing level of enforcement activity in FY2024, with a notable increase in investigations (30 new cases compared to 19 in 2023 and 21 in 2022), focusing on fraud, market manipulation, and reliability violations. The settlement recoveries also surged, reaching \$78.58 million (\$16.68 million in civil penalties and \$61.9 million in disgorgement)—marking a 135% increase from the previous year. This growth was primarily driven by substantial disgorgements, signaling FERC's heightened commitment to addressing market misconduct and ensuring the recovery of unjust profits.

FERC noted the following key enforcement priorities: (1) fraud and market manipulation; (2) serious violations of reliability standards; (3) anticompetitive conduct; (4) threats to the nation's energy infrastructure and associated impacts on the environment and surrounding communities; and (5) conduct that threatens the transparency of regulated markets. In the coming months, we will learn more about 2025 FERC enforcement priorities. At a high level, enforcement priorities may generally stay the same. The larger question may be the speed of investigations, magnitude of exposure and the complexity of the process for both FERC and subjects of investigations—particularly with respect to changes now required under the *Jarkesy* decision and FERC's settlement policy.

Compliance Activities to Evaluate and Potentially Mitigate Your Enforcement Risks

The uncertainties for 2025 underscore the need for market participants and individuals/entities subject to FERC's regulatory authority to ensure that they are compliant with applicable requirements, particularly in the five areas of priority highlighted above. To effectively manage potential enforcement risks, entities subject to FERC's jurisdiction should consider taking specific steps to evaluate and mitigate potential compliance risks. Such steps could include:

- Evaluating and updating your organization’s existing compliance functions;
- Refreshing your organization’s FERC compliance training materials as needed;
- Conducting FERC compliance training sessions;
- Conducting targeted internal reviews of specific areas of potential compliance risk;
- Ensuring that reporting channels are established and well-publicized internally for compliance issues spotted by employees;
- Reviewing your organization’s policies on the use of portable devices to conduct business (see [Mitigating the Rising Risk from Corporate Use of Third-Party Apps](#)); and
- Establishing “top-down” messaging on the importance of compliance.

For More Information

Van Ness Feldman counsels, trains, and represents clients regarding a wide range of FERC matters including compliance, enforcement, investigations and litigation. If you would like more information regarding FERC enforcement and compliance activities, please contact [Mike Farber](#), [Mosby Perrow](#), or any member of the firm’s [Litigation & Investigations](#), [Electric](#), or [Pipeline & LNG Practice Groups](#) at (202) 298-1800.

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