
**U.S. REGULATORY EXPERTS CONDUCT TRAINING
ON NATURAL GAS REGULATION FOR
ENERGY OFFICIALS IN CHINA**
SPONSORED BY U.S. TRADE AND DEVELOPMENT AGENCY
COSPONSORED BY NATIONAL REFORM AND DEVELOPMENT COMMISSION OF CHINA
ORGANIZED BY U.S. ENERGY ASSOCIATION

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FERC Commissioner Suedeen Kelly and Robert Gee of Gee Strategies, Inc. Provide Regulatory Training to Chinese Energy Officials

The “U.S. – China Natural Gas Training Program,” -- funded by the U.S. Trade and Development Agency (USTDA), cosponsored by the National Development and Reform Commission (NDRC) of China, and organized by the U.S. Energy Association (USEA) -- conducted its sixth training course in Haikou, Peoples Republic of China on February 24-28, 2009 on “*Natural Gas Regulation*.”

This USTDA-funded public-private training initiative promotes enhanced U.S.-China technical and commercial cooperation in the development of China's natural gas sector. Coordinated by USEA and NDRC, this program involves a series of training courses delivered in China by U.S. experts. The participants include Chinese energy sector leaders and practitioners, including national policymakers, representatives from Chinese oil and gas companies, regulators and others.

The training program covers topics in gas sector technology, regulation, and markets/finance/pricing including production, transport, import, distribution and consumption of natural gas. The training activities are designed to facilitate clean energy development and efficiency in China, as well as human capacity building and the transfer of advanced U.S. technology.

This course on *Natural Gas Regulation* was the sixth course conducted as part of the training program. The presenters in the course were Commissioner Suedeen Kelly of the Federal Energy Regulatory Commission (FERC) and Robert Gee, President and Founder of Gee Strategies Group LLC. After opening the event with introductions by the National Development and Reform Commission (NDRC) of China, a presentation was given on the “Evolution of the North American Gas Industry” starting from the early days of the gas industry to the present, including the evolution of gas industry regulation.

To better understand the current regulatory structure in the U.S., the presenters outlined the role and functions of the state and federal regulatory agencies, including FERC, the Environmental Protection Agency, Department of Transportation, state regulatory agencies and others. Since FERC is the regulator

of interstate transmission of oil and gas, Commissioner Kelly was able to give a comprehensive overview of FERC's key responsibilities and regulatory practices.

The training then focused on the evolving role of federal regulation with specific attention to the actual legislation and regulations that insure that both the users and suppliers of the gas are treated equitably and fairly. Robert Gee, who was also a former Assistant Secretary at the U.S. Department of Energy and a Texas State Regulatory Commissioner, was uniquely qualified to present on the need for natural gas regulation and the development of various tariffs and costing methodologies.

Additionally, the training course covered the following:

- Tariff design
- Billing and Metering
- Line Extensions
- Gas Storage
- Cost Allocation
- Regulatory Oversight Benchmarking
- Risk Assessments
- Market Prices
- LNG Development



FERC Commissioner Kelly discusses U.S. regulatory "best practices".

The National Development and Reform Commission (NDRC) in China arranged an excellent venue and the participation of some 85 energy officials from across China. The four days of training allowed time for discussion and communication between the presenters and the participants, which insured that they developed a full understanding of the material presented and allowed the U.S. presenters to receive information on the regulatory structure in China

The next training course scheduled to take place as part of the U.S. – China Natural Gas Training Program will be on *Global Natural Gas/LNG Markets* to be held in Beijing on May 18 – 21, 2009.

U.S. Trade and Development Mission Statement:

The U.S. Trade and Development Agency (USTDA) advances economic development and U.S. commercial interests in developing and middle income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment.

USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. Operating at the nexus of foreign policy and commerce, USTDA is uniquely positioned to work with U.S. firms and host countries in achieving the agency's trade and development goals. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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