

ONE HUNDRED FOURTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

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June 23, 2015

The Honorable Ernest J. Moniz  
Secretary  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Secretary Moniz:

Thank you for appearing before the Subcommittee on Energy and Power on Tuesday, June 2, 2015, to testify at the hearing entitled "Quadrennial Energy Review and Related Discussion Drafts."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Wednesday, July 7, 2015. Your responses should be mailed to Will Batson, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed to [Will.Batson@mail.house.gov](mailto:Will.Batson@mail.house.gov).

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Ed Whitfield  
Chairman  
Subcommittee on Energy and Power

cc: The Honorable Bobby L. Rush, Ranking Member, Subcommittee on Energy and Power

Attachment

## Additional Questions for the Record

### The Honorable Ed Whitfield

1. On January 9, 2014, President Obama issued a Presidential Memorandum establishing a Quadrennial Energy Review (QER) Task Force to review existing energy policies in the context of current economic, environmental, and security conditions and provide recommendations for additional executive and legislative actions, as well as establishing priorities for research and development. The President directed the Secretary of Energy to provide support for the 22-member multi-agency QER task force, including support for the coordination of activities related to the preparation of the QER report, policy analysis, modeling, and stakeholder engagement. The Department's Office of Energy Policy and Systems analysis serves as the Secretariat of the QER task force, and provides systems analysis to support the Administration's initiatives.
  - a. Please provide a detailed accounting of the costs associated with the development of the QER, including the amount of annual agency funds and the number of personnel, including FTEs, attributed to QER activities.
  - b. Please identify all QER related interagency task forces, advisory committees, working groups, and initiatives in which the Department currently participates or has participated since January 2014.
  - c. Please provide a description of the Department's plans for future installments of the QER, including the schedule for each release and an estimate of the cost associated with the development of each installment.
  - d. Please provide a rough timeline for the implementation of the current QER recommendations and, to the extent possible, the implementation timeline and scope of the recommendations to be developed in future QER installments.
2. The Department's authority to regulate the export of liquefied natural gas (LNG) arises under section 3 of the Natural Gas Act (NGA). Section 3(a) of the NGA sets forth the standard of review of LNG export applications, creating a rebuttable presumption that a proposed export of natural gas is in the public interest:

*[N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon application, unless after opportunity for hearing, [he] finds that the proposed exportation or importation will not be consistent with the public interest.*

Section 3 (c) sets forth a different standard of review for applications to import or export natural gas, including LNG, to those countries with which the United States has in effect a free trade agreement (FTA):

*[T]he importation of natural gas...or the exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.*

Please clarify the Department's policy with respect to its review of export applications that involve LNG export facilities in Canada or Mexico. Since these countries hold an FTA with the United States, is it DOE policy in all cases to grant authorization to export natural gas in accordance with section 3(c), automatically and without modification or delay?

- a. Does the Department regulate the re-export of natural gas originating from the U.S.? Are there circumstances when a non-FTA application may also be required when gas is exported to Canada or Mexico? If so, when?
- b. If U.S. natural gas is exported to Canada or Mexico via pipeline and sold or comingled, would the applicant for the DOE export license be required to track and inform the Department of its end-use destination?
- c. How will DOE prioritize foreign projects, when the LNG export facility is not subject to an environmental review conducted by the Federal Energy Regulatory Commission? Will DOE apply a categorical exclusion under the National Environmental Policy Act (NEPA)?
- d. Please clarify DOE policy with respect to the use of conditional authorizations in light of the procedural change to suspend issuance of such authorizations on applications to export LNG to lower-48 states, followed by the May 28th announcement granting conditional authorization to Alaska LNG.

#### **The Honorable Pete Olson**

1. Mr. Secretary, my state of Texas has some native lignite, but it is my understanding that our coal plants are heavily reliant on shipments of Powder River Basin coal for environmental reasons. This means that we rely on rail to a fair extent. The QER described constraints facing rail lines transporting coal, and resulting issues for fuel supply at our nation's power plants. However, the rail industry has claimed that this was temporary and that there is now excess capacity.
  - a. Could you please describe the extent to which constraints have been resolved?

#### **The Honorable Michael F. Doyle**

1. Mr. Secretary, the QER highlights single source dependency – the rising shift to natural gas – as a potential threat to our country's security. I certainly agree that we need to make sure we use a broad range of sources for our energy, and have expressed my concerns that potential new rules like the clean power plan will force us to rely on natural gas even more.
  - a. How do you recommend ensuring we keep a balanced portfolio of energy sources?
2. The Quadrennial Energy Review examines existing CO<sub>2</sub> pipeline infrastructure and suggests we should look to expand this network. As a longtime advocate for the cleaner use of fossil fuels, like coal, I think that the capture and reuse of carbon emissions from power plants is crucial as doing so will help keep the leading source of baseload power reliable and affordable for consumers, while ensuring that we are prudent in reducing our carbon emissions.
  - a. Can you please elaborate on the potential for, and necessity of, these CO<sub>2</sub> pipelines?

3. The QER recommends enacting financial incentives for the construction of CO<sub>2</sub> pipeline networks, specifically connecting them to nearby oil fields or saline storage formations.
  - a. Are there any limitations as to what would qualify as nearby?
  - b. Oil fields, and correspondingly, the existing CO<sub>2</sub> pipeline infrastructure are fairly geographically concentrated; however, power plants are not. How can we expand this network to make sure that CCS technology – or other technologies we haven't discovered yet – are encouraged across the country?
  - c. Do you think that building out pipelines for this important, beneficial reuse of CO<sub>2</sub> emissions is preemptive when we are, in my opinion, severely underfunding CCS research or research into new, yet-to-be-discovered technologies that limit these harmful emissions?
  - d. I strongly feel that if we don't incentivize it, private industry won't develop this technology because it's not yet required, and the government needs to take the lead on this. Do you think that funding for that type of research should be something we seriously consider going forward?
4. The QER highlights the importance of investing in our country's energy infrastructure. However, many of my constituents only think about energy, or how it actually gets to their office or home, when they go to turn on the lights and nothing happens.
  - a. This report on TS&D focuses on the largely invisible back-end of the equation. How do you recommend we approach this issue and explain it to our constituents back home?

### **The Honorable David Loeb sack**

1. The QER points out that biofuel production in the United States has "increased rapidly over the last decade, enhancing energy security and reducing greenhouse gases from transportation." It points out that ethanol is responsible for most of this growth, and it currently displaces about 10 percent of US gasoline by volume. It finds that continued growth in ethanol and other biofuels will depend on investment in distribution capacity and continued investment in research, development, demonstration, and deployment.

Right now, the most significant thing slowing investment in all biofuels - particularly advanced and cellulosic — is the EPA's proposed rule setting blending targets under the Renewable Fuel Standard (RFS.) The EPA went back to the drawing board after a failed rulemaking in 2014, and the Agency released a 3-year rule at the end of May. All of the biofuels stakeholders I've talked to said this rule falls short of what is needed to expand the role of biofuels in the U.S. to help diversify our fuel supply and stem climate change.

- a. What is DOE doing to ensure that the investment contemplated by the QER can actually occur and our progress to date can be maintained in light of the problematic proposal from EPA?
- b. What infrastructure is needed to compliment the increased capabilities of renewables such as wind and solar?
- c. Can you give me examples of funding mechanisms for transportation infrastructure improvements?

**The Honorable John P. Sarbanes**

1. What are the most significant barriers to maturation and broader adoption of Smart Grid technologies in our electric delivery and consumption systems?
2. What specific policies should the Congress adopt to overcome these barriers and hasten the deployment of Smart Grid technologies?