

**Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Oversight of the Federal Energy Regulatory Commission
December 1, 2015**

(As Prepared for Delivery)

As we all know, America's energy picture is rapidly changing, not only from the dramatic increases in domestic energy supplies but also from the unprecedented federal regulatory burdens and a number of other emerging threats. The work that FERC does often places it at the center of this change.

For example, the rapid rise in domestic natural gas production and the increased reliance on it for electricity generation has created many challenges for FERC. For one thing, it has increased the burden on FERC to make timely decisions on many new natural gas pipeline project applications. We see bottlenecks in regions like New England, where high natural gas prices and limited supplies are harming consumers, destroying jobs, and threatening wintertime electric reliability, even though natural gas in nearby Pennsylvania is plentiful and affordable. FERC also plays a central role in the approval of LNG export facilities, which hold the potential to create jobs at home and help our allies abroad. Both the substance and the timelines of FERC's review process for such projects has justifiably come under review.

Challenges also come from the actions of other federal agencies, and particularly EPA. EPA's Clean Power Plan and other regulations pose a serious threat to fuel diversity and electric reliability. The loss of existing coal-fired capacity as a consequence of new rules is already cause for concern, and the number of retirements will only grow in the years ahead. At the same time, EPA has all but banned the option of new coal-fired generation, despite its proven reliability, and has even placed constraints on natural gas in favor of intermittent renewables like wind and solar.

These and other actions by EPA and their impact on electric reliability and affordability also raises questions about the working relationship between EPA and FERC. EPA has leapfrogged beyond FERC and granted itself authority over electricity well beyond anything in the Federal Power Act. There are valid concerns that FERC is allowing itself to become a helpless bystander as EPA increasingly dominates the electricity sector and does so in ways that serve to exacerbate the very problems FERC is supposed to protect consumers against.

Grid security is another growing concern in FERC's jurisdiction. The electricity system faces all the traditional risks from severe weather and earthquakes and the like, but we also see emerging threats from things like cyber and EMP attacks. FERC's role in ensuring the security of the grid is more important than ever.

In some respects America's energy situation is better than it has been in decades, but nonetheless there are challenges in the years ahead and a critical role for FERC in dealing with them.

###