

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Oversight of the Federal Energy Regulatory Commission
December 1, 2015

(As Prepared for Delivery)

Quite a few energy-related issues in the news today fall under the Federal Energy Regulatory Commission's (FERC) jurisdiction, so it is important and very timely for the Energy and Power Subcommittee to hold this oversight hearing. FERC plays a key role regulating the transmission, reliability, and wholesale sale of electricity in interstate commerce, the transmission and sale of natural gas for resale in interstate commerce, and the transportation of oil by pipeline in interstate commerce.

FERC is also responsible for the approval of interstate natural gas pipelines, LNG export facilities, and licensing of non-federal hydropower projects. America's growing energy abundance and its growing role as a global energy superpower has led to more infrastructure projects being proposed. However, there are problems with the timeliness of FERC approvals. If left unaddressed, these delays may cost jobs, raise energy prices, and compromise reliability. H.R. 8, the North American Energy Security and Infrastructure Act, which will be considered by the full House later this week, contains provisions to help expedite these job-creating energy infrastructure projects.

FERC also has responsibilities related to the security of the nation's electric grid, including physical and cybersecurity threats, geomagnetic disturbances, electromagnetic pulse, and severe weather. H.R. 8 also includes provisions that seek to strengthen our ability to prevent these risks and minimize the impact when they do occur.

FERC and its predecessor agencies have addressed many issues since 1920, but over that span it has never faced a rival federal agency setting policy at odds with FERC's core mission. But in recent years, the EPA has taken on such a role, especially related to electricity. In particular, EPA's so-called Clean Power Plan, which mirrors the regulatory cap-and-trade scheme that failed to pass a democratically-controlled Congress in 2010, places severe constraints on coal-fired generation in favor of renewables, jeopardizing reliability and giving priority to greenhouse gas reductions over cost considerations in setting the generation mix. Whether FERC can effectively fight back against EPA's agenda when it conflicts with FERC's responsibilities is a matter of considerable debate.

There are serious implications for a state like my home state of Michigan, where affordable and reliable electricity and sufficient supplies of natural gas are vital to making it through the long and severe winters. Michigan and other industrial states also need affordable and reliable energy for our manufacturers to remain globally competitive. I look forward to this important debate on FERC's current and future role. A better functioning FERC matters to jobs and affordable energy.

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