

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy
Hearing on "Legislation Addressing Pipeline and
Hydropower Infrastructure Modernization"
May 3, 2017

(As prepared for delivery)

Today the Subcommittee begins what I expect will be a thoughtful and deliberative process to examine legislation addressing pipeline and hydropower infrastructure modernization. We will review 10 bills, some of which have already been introduced, while others remain in the form of a discussion draft as we continue to work out the details. This Committee has developed an extensive record on the issues these bills address. As some will recall, hydropower and gas pipeline infrastructure modernization were included in the energy bill conference last Congress. We began this Congress by picking up where we left off, with hearings examining the challenges and opportunities to expanding hydropower generation and promoting pipeline infrastructure improvement and expansion. We've heard from a variety of stakeholders, including job creators, contractors, labor, Tribal interests, consumers, and private citizens affected by development. Permitting pipeline and hydropower infrastructure often requires extensive consultation with more than a dozen Federal and State agencies. Today, we will hear from the Federal Energy Regulatory Commission, which is the coordinating agency for these reviews. As we move forward, we will continue to engage with States and other federal permitting agencies that have a participating role to ensure that we are balancing the need to update and modernize our infrastructure with important safety, environmental, and consumer protections.

The legislation before us today takes important strides toward modernizing our nation's energy infrastructure. The hydropower policy modernization discussion draft encompasses many of the bipartisan reforms that received support in both the House and the Senate last Congress. The draft would designate FERC as the lead agency for hydropower licensing and encourage greater coordination and cooperation among the dozens of agencies involved in the permitting process. We are also examining discussion drafts that would promote new hydropower development at existing non-powered dams and the development of closed-loop pumped storage projects, like the one in Ludington, Michigan, my home state. As we've heard in testimony before the Committee, these projects are a win-win; minimal environmental impact, new investments, jobs, and added benefits to the

grid. Another bill would streamline the permitting process for small conduit hydro, which is an emerging source of renewable energy that can be bolted on to existing infrastructure to provide flexible and reliable power.

We are also taking a close look at legislation to improve the process to permit interstate natural gas pipelines and cross-border energy infrastructure. The discussion draft promoting interagency coordination for review of natural gas pipelines will streamline the process and increase public transparency. Together, these reforms will bring more certainty to the permitting process, which will encourage investments, create jobs, and lower prices for consumers - especially those that are already paying too much for energy due to pipeline bottlenecks and capacity shortages.

The discussion draft promoting cross-border energy infrastructure would, for the first time, enshrine in law a uniform and transparent process to authorize cross-border oil and natural gas pipelines and electric transmission facilities. As we've all seen with the Keystone XL pipeline, the current presidential permit process is broken beyond repair. The draft legislation would bring predictability and transparency to the process. It will allow the technical experts at FERC and DOE to review proposed projects without politics getting in the way. Importantly, the draft legislation will not touch bedrock environmental laws like NEPA, the Clean Air Act, or the Clean Water Act. It will also preserve and even strengthen opportunities for stakeholders and property owners to have their voice heard.

Together, these 10 bills represent the beginning of an ambitious effort to modernize our energy infrastructure, increase access to affordable and reliable energy, and lower prices for consumers. I want to thank the witnesses for appearing before us today and I look forward to their testimony.