

**Opening Statement of Chairman Greg Walden**  
**Subcommittee on Energy**  
**Hearing on “Legislation Addressing LNG Exports and PURPA**  
**Modernization”**  
**January 19, 2017**

*(As prepared for delivery)*

Today, the committee will examine legislation to encourage and streamline the process for approving liquefied natural gas exports and modernize the Public Utility Regulatory Policies Act of 1978 also known as PURPA. Under my chairmanship, I’ve encouraged our members to put consumers first and focus on ways to grow our economy. To do this effectively, we need to look to see where we can update our laws and regulatory policies for the 21<sup>st</sup> Century. I want to thank Mr. Johnson and Mr. Walberg for their hard work on these bi-partisan bills. I’d also like to thank the witnesses for appearing before us today and providing their views on the legislation.

The United States is the world’s number one producer of oil and gas and our reserves are so large that they are predicted to meet domestic demand for a century or more. Up until the shale revolution, our supplies were dwindling, and we were importing natural gas. As you would expect, our laws reflected that reality. However, we’re in a completely different situation today – for the first time ever, we are net exporters of natural gas. Now, to capitalize on this incredible opportunity, we need to update our laws to remove unnecessary barriers to innovation and growth.

As dozens of studies have shown, including those sponsored by the Department of Energy, LNG exports provide wide-ranging net benefits to consumers and the economy. Mr. Johnson’s legislation would remove unnecessary restrictions on these exports – which date back to the 1930’s. These changes would help create more open, transparent, and competitive markets for natural gas, encouraging more production in the U.S., creating thousands of jobs, and spurring further economic development. It shouldn’t be overlooked that LNG exports also strengthen our diplomatic hand when dealing with countries like Russia that like to use energy resources as a weapon. Encouraging the use of clean burning natural gas around the world also helps to reduce GHG emissions and improve the environment. Exports are truly a win-win for all sides.

Today, we’re also examining legislation to modernize PURPA, a law enacted to encourage the use of domestic energy in response to the Arab Oil Embargo. Since PURPA’s passage, the nation’s power sector has undergone remarkable changes in

the ways that electricity is supplied to consumers. Mr. Walberg's legislation recognizes these changes and updates this 40-year old law to ensure that it serves the interests of consumers and power suppliers for years to come. Most notably, the PURPA modernization bill will address the concern that certain facility developers are successfully evading the intent of FERC's "one-mile rule". At last year's oversight hearing on PURPA, we heard examples of project developers building power-producing facilities just far enough from each other, so they can avoid PURPA's 80-megawatt threshold, thus allowing them to receive benefits that are intended for *small* power producers. H.R. 4476 offers a specific fix to address this concern and I'd be interested to hear FERC's thoughts today.

As I said before, the Energy and Commerce Committee strives to focus on the needs and interests of American consumers. With that, I look forward to our witness testimony and discussion on the proposals to revise our LNG policies and to modernize PURPA for the 21<sup>st</sup> century.