

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy
Hearing: “Oversight of FERC: Ensuring its Actions Benefit Consumers and
the Environment”

As Prepared for Delivery

June 12, 2019

Thank you, Mr. Chairman, for holding this hearing to examine FERC’s budget and priorities for fiscal year 2020. I would also like to extend a warm welcome to our FERC Commissioners. It has been about a year since FERC testified before the Committee, and in that time, the Commission has dealt with its share of challenges, and sadly, a change in leadership due to the passing of former Chairman Kevin McIntyre.

By all accounts, Chairman Chatterjee has performed admirably, stepping back into the role of Chairman of FERC. The Commission has also received a new member, Commissioner Bernard McNamee, who brings a wealth of experience in State and Federal energy policy matters.

As Members of the Energy and Commerce Committee, we are closely monitoring the shifts occurring across our energy landscape, so that we are prepared to confront the challenges and take full advantage of the opportunities that lay ahead.

Under my Chairmanship of the Full Committee, and continuing under Chairman Walden, we have worked on a bipartisan basis to remove unnecessary

barriers to growth, streamline the permitting process for energy projects, and encourage innovation and technological development. I hope that we can continue this important work under Chairman Pallone and Chairman Rush.

FERC has many important responsibilities to help us navigate the changes we are seeing with our generation resource mix, and to ensure the resilience and security of our energy systems, including import/export terminals, natural gas pipelines, and electric transmission facilities. FERC also has a responsibility to oversee energy markets, ensure just and reasonable rates, advise on State energy policies, and oversee the development of mandatory electric reliability and security standards for the bulk power system.

As we have learned, managing this wide array of issues is no simple task. Building new pipelines and electric transmission facilities has become increasingly challenging. While FERC, as the lead agency, has established a process to allow for thorough environmental reviews and meaningful stakeholder input, we have started to see this process strained by States that are not performing their federally-delegated responsibilities in timely fashion. We are also seeing big changes on the generation side, with the decline of coal and nuclear coinciding with the rise of natural gas and renewables, which is placing pressure on state and regional resource planning.

Many of the issues we discussed at our hearing last year are still actively under consideration at FERC, including fuel security and grid resiliency, grid storage, pipeline permitting, and market reforms. I look forward to today's hearing to receive an update on progress in these areas.

I also look forward to discussing physical and cybersecurity for our grid and pipeline network, which is an issue that I care deeply about. While FERC has authority to approve mandatory cybersecurity reliability standards for the bulk power system, the regulatory framework for pipelines may have gaps that should be examined. Given the interdependency of our gas pipelines and the electric systems, we need to make sure we are doing everything we can to remain secure.

With that, I would like to thank the Commissioners for appearing before us today, I will yield back the balance of my time.