



NARUC

National Association of Regulatory Utility Commissioners

January 18, 2022

The Honorable Frank Pallone
Chairman
House Committee on Energy &
Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Bobby Rush
Chairman
House Subcommittee on Energy
United States House of Representatives
Washington, DC 20515

The Honorable Cathy McMorris
Rodgers
Ranking Member
House Committee on Energy &
Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Fred Upton
Ranking Member
House Subcommittee on Energy
United States House of Representatives
Washington, DC 20515

RE: H.R. 6084 The “Energy Product Reliability Act”

Dear Chairman Pallone, Ranking Member Rodgers, Chairman Rush, and Ranking Member Upton:

On behalf of the National Association of Regulatory Utility Commissioners (NARUC) I am writing to express our concerns about H.R. 6084, the “Energy Product Reliability Act.” NARUC shares the Committee’s interest in providing for a safe, reliable, and affordable energy transportation system in the U.S. NARUC’s members are the nation’s “boots on the ground” for ensuring the natural gas pipeline systems are operated and run safely, through our partnership with the Pipeline and Hazardous Materials Safety Administration (PHMSA.) Additionally, our members regulate natural gas local distribution companies (LDC) to ensure that end use consumers receive safe and reliable service at just and reasonable rates, terms, and conditions.

While the bill is obviously well intentioned, NARUC’s members remain troubled by the preemption and lack of coordination with existing federal programs required by H.R. 6084. Under the Natural Gas Act, state regulatory commissions have jurisdiction over intrastate natural gas transmission systems and the natural gas distribution systems operated by the LDCs. This legislation alters this current regulatory framework by expanding the Federal Energy Regulatory Commission’s (FERC) and the proposed Energy Product Reliability Organization’s (EPRO) jurisdiction over aspects of intrastate transmission and LDC systems. The bill also unnecessarily duplicates existing federal programs that already specifically address cyber and physical security. And, at a minimum, the proposal to allow the EPRO to



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set enforceable standards concerning “coordination of delivery and availability of energy products to ensure reliable electricity generation” needs clarification. The legislation overall is unclear as to what, exactly, are the limits to federal preemption of state jurisdiction under this bill.

The undefined broad authorities granted by this legislation are a recipe for needless litigation at taxpayer expense. The clear duplication of existing programs will lead to unneeded compliance expense. Both translate directly into higher energy costs for consumers – in exchange for the federal government’s “promise” of “enhanced” reliability – at a time when real wage growth has stagnated and many consumers can ill-afford any additional increases in household energy costs.

Thank you for taking the time to consider NARUC’s concerns and we look forward to continuing a dialog on the various issues impacting energy transportation reliability.

Sincerely,

Greg White
Executive Director
NARUC