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6 SECURING OUR ENERGY INFRASTRUCTURE:

7 LEGISLATION TO ENHANCE PIPELINE RELIABILITY

8 WEDNESDAY, JANUARY 19, 2022

9 House of Representatives,

10 Subcommittee on Energy,

11 Committee on Energy and Commerce,

12 Washington, D.C.

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16 The subcommittee met, pursuant to call, at 10:33 a.m. in
17 the John D. Dingell Room, 2123 Rayburn House Office Building,
18 Hon. Bobby Rush [chairman of the subcommittee], presiding.

19 Present: Representatives Rush, Peters, Doyle, McNerney,
20 Tonko, Veasey, Schrier, DeGette, Butterfield, Matsui, Castor,
21 Welch, Schrader, Kuster, Barragan, Blunt Rochester,

22 O'Halleran, Pallone (ex officio); Upton, Latta, McKinley,
23 Kinzinger, Griffith, Johnson, Bucshon, Walberg, Duncan,
24 Palmer, Lesko, Pence, Armstrong, and Rodgers (ex officio).

25

26 Staff Present: Waverly Gordon, Deputy Staff Director
27 and General Counsel; Tiffany Guarascio, Staff Director; Perry
28 Hamilton, Clerk; Rick Kessler, Senior Advisor and Staff
29 Director, Energy and Environment; Mackenzie Kuhl, Press
30 Assistant; Tyler O'Connor, Energy Counsel; Lino Pena-
31 Martinez, Policy Analyst; Kaitlyn Peel, Digital Director;
32 Kris Pittard, Policy Coordinator; Chloe Rodriguez, Clerk;
33 Andrew Souvall, Director of Communications, Outreach, and
34 Member Services; Caroline Wood, Staff Assistant; Tuley
35 Wright, Senior Energy and Environment Policy Advisor; Michael
36 Cameron, Minority Policy Analyst; Emily King, Minority Member
37 Services Director; Mary Martin, Minority Chief Counsel,
38 Energy & Environment; Brandon Mooney, Minority Deputy Chief
39 Counsel for Energy; and Peter Spencer, Minority Senior
40 Professional Staff Member, Energy.

41

42 *Mr. Rush. The Subcommittee on Energy will now come to
43 order.

44 Today the subcommittee is holding a hearing entitled,
45 "Securing our Infrastructure: Legislation to Enhance Pipeline
46 Security."

47 Due to the COVID-19 public health emergency, members can
48 participate in today's hearing either in person or remotely,
49 via online video conferencing.

50 Members, staff, and members of the press present in the
51 hearing room must wear a mask, in accordance with the updated
52 guidance issued by the attending physician's office.

53 For members participating remotely, your microphones
54 will be set on mute for the purpose of eliminating
55 inadvertent background noise. Members participating remotely
56 will need to unmute your microphone each time you wish to
57 speak.

58 Please note that, once you unmute your microphone,
59 anything that is said in Webex will be heard over the
60 loudspeakers and in committee room, and is subject to being
61 heard by livestream and CSPAN.

62 Since members are participating from different locations
63 at today's hearing, all recognitions of members, such as for
64 questions, will be in the order of subcommittee seniority.

65 Documents for the record can be sent to Lino Pena-
66 Martinez at an email address that we provided to staff. All
67 documents will be entered into the record at the conclusion
68 of today's hearing.

69 And I want to recognize myself for five minutes for an
70 opening statement.

71 Again, good morning, all. I want to begin by
72 acknowledging what an honor, a distinct honor, it has been
73 for me to chair this subcommittee the past three years. And
74 I wish to thank all of you for reaching out to me with well
75 wishes following my recent announcement that I would not seek
76 re-election. It has been a real honor to serve with such a
77 fine assortment of geniuses on both sides of the aisle, and I
78 want you to know that we are not done yet. The best is yet
79 to come.

80 I look forward to continuing to work with all of you in
81 this last year of the 117th Congress to continue to advance
82 legislation that will help all Americans, from Appalachia to
83 Alaska, from New Hampshire to Hawaii, and all the in between.

84 Turning to the topic that is before us today, I want to
85 thank everyone that is on this call, that is on -- in this
86 hearing. I want to thank you this morning for joining us for
87 this vital hearing on enhancing the reliability of our energy

88 infrastructure, and my Energy Product Reliability Act.

89 The energy system that 330 million Americans depend upon
90 for heat, electricity, and transportation is only as strong
91 as its weakest link. And unfortunately, last year, Texas --
92 in Texas we saw this firsthand, when our natural gas
93 infrastructure failed, leaving 4.5 million Americans without
94 power, and costing over 100 Americans their lives.

95 While the electric wires that bring Americans power
96 across the nation are subject to reliability standards set by
97 NERC, no such standards exist for pipelines. All Americans
98 deserve reliable access to energy, and they need to know that
99 the pipelines that deliver that energy are dependable.

100 To achieve this goal, we must work together once again,
101 just like we did in 2005, when we wrote and passed the Energy
102 Power [sic] Act. The provisions of that legislation
103 established electricity -- electric reliability standards
104 that have worked well. And with them we began the work of
105 ensuring that the electric system that Americans depend upon
106 is reliable. My bill continues that effort.

107 And I want to stress this point: my legislation
108 accompanying this bill is not final. It marks the beginning
109 of the legislative process, and certainly not the end.

110 I look forward to hearing what our witnesses today have

111 to say on the bill, and I welcome any constructive
112 suggestions from all members of this subcommittee.

113 To my Republican friends specifically, I want to
114 emphasize that electricity reliability is an issue that we
115 are all concerned about. For this reason, my staff and I are
116 ready to work hand-in-hand with you. We are open to your
117 suggestions on the best pathway forward.

118 With that, I look forward to today's hearing and
119 discussion.

120 [The prepared statement of Mr. Rush follows:]

121

122 *****COMMITTEE INSERT*****

123

124 *Mr. Rush. I am delighted to recognize my
125 distinguished friend from the great state of Michigan, Mr.
126 Upton, for five minutes for an opening statement.

127 Mr. Upton, you are recognized.

128 *Mr. Upton. Well, thank you, my friend, Mr. Chairman.
129 And we are glad that you have recovered from your COVID that
130 you had over the holidays. We are glad to see you in person.

131 And as it relates to your announced departure at the end
132 of the year, you have had a lot of fine chapters in your
133 life, and we know that this is not the last one. You have
134 got a great book, and we are all proud to be your friend, and
135 know that you have got future chapters ahead of you.

136 I want to thank our witnesses for appearing before this
137 subcommittee to provide their testimony today.

138 Welcome back, Chairman Glick. It is nice to have you
139 here again.

140 And a special welcome to Deputy Secretary Turk, to your
141 first Energy and Commerce hearing. I look forward to working
142 closely with you in your new role at DoE.

143 You know, I know that many of us are deeply concerned
144 about the direction of our country under this President's
145 leadership. We all saw the economic report last week.
146 Consumer prices and inflation rose 7 percent in December, the

147 highest rate in 40 years. We have got labor shortages in
148 every sector, supply chain disruptions impacting the entire
149 economy. Energy prices are soaring to a seven-year high, and
150 American families, indeed, are suffering. This
151 Administration's anti-fuel -- fossil fuel agenda is directly
152 contributing, I believe, to record-high gas prices and
153 soaring utility bills, as winter heating season is now upon
154 us.

155 The Administration's response to surging inflation and
156 sky-high energy bills is to shut down critical pipelines like
157 Keystone XL about a year ago. And, for Michigan, potentially
158 Line 5, a ban on drilling on Federal lands. Forcing
159 Americans to buy more expensive and less reliable electric
160 cars and appliances are not really solutions.

161 Two weeks ago, a brutal winter storm hit the East Coast.
162 Half a million folks lost their electricity. Hundreds of
163 drivers were stranded, maybe thousands got stranded on
164 freezing roads overnight. Just think what would have
165 happened, think of the people who could have died if all the
166 cars were electric, and people couldn't use natural gas to
167 heat and cook?

168 If it is not already clear to everyone, we rely on
169 fossil fuels. Their day is not over. Simply put, the

170 Fantasyland Green New Deal agenda of offshore wind farms,
171 rooftop solar, and electric batteries are not going to cut
172 it.

173 The topic of this hearing is completely off base, out of
174 touch with the realities facing America today. We need real
175 leadership from the Administration and the Democratic
176 majority. America is facing an economic crisis, an energy
177 crisis, and the majority has yet to schedule a legislative
178 hearing on a bill to increase energy prices further and
179 eliminate fossil fuels by shutting down pipelines.

180 The bill today that we are going to be talking about is
181 a sweeping power grab, preempting states and local
182 jurisdictions from regulating all types of energy
183 infrastructure. From the oil and natural gas wells, to the
184 gas stations where Americans fill up, to the appliances in
185 their homes, this bill would dramatically expand FERC,
186 transforming a relatively tiny agency into a behemoth with
187 regulatory powers over America's energy system.

188 We are not just talking about interstate pipelines and
189 the bulk power system that crosses state lines. This bill
190 would impose new Federal taxes, fees, regulations on all
191 energy in the country. Americans are not asking for that
192 bill.

193 So, with unanimous consent, I would like to enter into
194 the record a letter from state regulators and the people who
195 deliver energy to homes and businesses, without objection, I
196 would hope. The letters lay out specific concerns with the
197 legislation, concerns that I believe are shared by many
198 members of this committee on both sides of the aisle.

199 Mr. Chairman, respectfully, I would argue that we should
200 focus our efforts on a bipartisan bill, H.R. 3078, the
201 Pipeline and LNG Facility Cybersecurity Preparedness Act. We
202 introduced this bill in response to the Colonial Pipeline
203 attack last year. We still have important work to do to get
204 the bill across the finish line.

205 In October of last year, Republicans on this committee
206 wrote to Secretary Granholm to conduct oversight of DoE's
207 handling of the energy crisis. We also wrote to Chairman
208 Pallone, requesting a hearing to investigate how the
209 Administration's actions are contributing to energy price
210 increases. Everyone knows energy prices are the number-one
211 issue right now, the highest prices in seven years. Yet the
212 majority has not scheduled a hearing.

213 I would use today's hearing to confront the real issues
214 facing Americans. What is the Administration doing to slow
215 inflation and lower gas prices? Why is the President asking

216 Russia and OPEC to pump more oil, while putting American
217 energy workers out of a job? And why is FERC delaying
218 permitting decisions on critical natural gas pipelines that
219 would improve grid reliability and lower utility bills for
220 every American? Those are the questions on the minds of
221 Americans. They deserve the attention of the committee.

222 And with that, I yield back the balance of my time.

223

224 [The prepared statement of Mr. Upton follows:]

225

226 *****COMMITTEE INSERT*****

227

228 *Mr. Rush. The chair now recognizes the chairman of the
229 full committee, Mr. Pallone, for five minutes for an opening
230 statement.

231 *The Chairman. Thank you, Chairman Rush, for holding
232 the hearing today on your important legislation to address
233 the reliability and security of our nation's energy
234 infrastructure.

235 The need for today's hearing and legislation is driven
236 by recent events. We all watched with concern last February,
237 as Winter Storm Uri devastated natural gas infrastructure in
238 Texas, contributing to widespread power outages and
239 significant loss of life. And some members of this committee
240 even experienced the events firsthand.

241 In the wake of the Texas power crisis, we held multiple
242 oversight hearings. We learned that the power outages were
243 caused, in part, by inadequate natural gas fuel supply and
244 delivery, as well as Texas's failure to establish meaningful,
245 winterization and other standards to ensure reliable natural
246 gas delivery.

247 And those findings are corroborated by a recent joint
248 report on Winter Storm Uri from the Federal Energy Regulatory
249 Commission and the North American Electric Reliability
250 Corporation. Among other things, this joint report concluded

251 that -- and I quote -- "Generating unit outages and natural
252 gas fuel supply and delivery were inextricably linked during
253 the storm.'" The report recommended that a working group
254 consider whether Congress should vest a single agency with
255 responsibility for ensuring pipeline reliability.

256 So I want to commend Chairman Rush for taking those
257 recommendations seriously, introducing H.R. 6084, the Energy
258 Product Reliability Organization Act. While members here
259 today may have different perspectives on how to best protect
260 our country from emerging threats, it is clear to me that the
261 status quo is insufficient, and Congress must act to ensure
262 the reliability of our energy infrastructure.

263 Given our current reliance on natural gas for power
264 generation, it is critical we examine how we can best ensure
265 our natural gas fuel delivery system does not again fail to
266 keep the lights on.

267 Unfortunately, Winter Storm Uri did not cause the only
268 major fuel supply reliability failure last year. In May
269 cyber criminals attacked the Colonial Pipeline company's
270 business systems, ultimately halting delivery of more than
271 2.5 million barrels of petroleum products daily for several
272 days. And this major disruption caused gasoline shortages
273 across 17 states and the District of Columbia. The pipeline

274 was restarted within five days, thanks to leadership from the
275 Department of Energy, but the cyber attack laid bare the
276 vulnerability of our pipeline infrastructure.

277 Chairman Rush's bill places the authority to issue
278 cybersecurity standards where they should be, with energy
279 experts who have a vested stake in the security of our power
280 infrastructure.

281 In 2005, after the California energy crisis and the 2003
282 blackout in the Northeast raised concerns about the continued
283 reliability of our electric infrastructure, and -- this
284 committee responded in a bipartisan manner. We worked to
285 create an electric reliability organization to oversee the
286 bulk power system. By all accounts, Americans enjoy greater
287 electric reliability because of it.

288 Today, we are again confronted with events that shine a
289 light on the inadequacy of our current regulatory regime. I
290 hope we can respond in a similar bipartisan manner by
291 establishing a stakeholder-driven entity like NERC, or NERC,
292 to maintain reliable delivery of natural gas, petroleum, and
293 other energy products, until we fully transition away from
294 volatile fossil fuels to carbon-free electricity in
295 transportation sectors.

296 Now, this bill, Chairman Rush's bill, is of vital

297 importance, and today's hearing provides committee members an
298 opportunity to learn more about the scope and necessity of an
299 energy product reliability organization. This hearing is the
300 beginning of the process, and I look forward to hearing from
301 consumer advocates, industry stakeholders, and others on how
302 we can best tailor this legislation to safeguard our nation's
303 pipeline infrastructure.

304 We must find common-ground reforms to bolster the
305 reliability and security of our pipeline and power
306 infrastructure. The committee has a long history of
307 bipartisan cooperation on these issues, and I hope we can
308 work together to ensure our nation's pipelines and related
309 facilities are operable during extreme weather events,
310 protected from cyber exploitation, and able to address the
311 evolving reliability and security risks of a changing world.

312 So I want to thank our two witnesses, Deputy Energy
313 Secretary Turk and FERC Chairman Glick, for joining us today.

314 I look forward to our discussion, and I yield back the
315 balance of my time. Thank you, Chairman Rush.

316 [The prepared statement of The Chairman follows:]

317

318 *****COMMITTEE INSERT*****

319

320 *Mr. Rush. The chair yields back. The chair --

321 [Audio malfunction.]

322 *Mr. Rush. -- Mrs. Rodgers, the ranking member of the
323 full committee, for five minutes for her opening statement.

324 Mrs. Rodgers, you are recognized.

325 *Mrs. Rodgers. Thank you, Chairman Rush. And as you
326 have recently announced your retirement, just let me say that
327 we have appreciated your friendship, and the working
328 relationship on Energy and Commerce, and look forward to you
329 finishing strong here in Congress.

330 Tomorrow marks the one year of President Joe Biden's
331 failed energy policies, jeopardizing energy reliability,
332 energy affordability, and America's energy independence.

333 Today Russia is on the verge of invading Ukraine. It
334 underscores the importance of energy in national security.
335 Putin wants control of the Black Sea to block American energy
336 imports to Ukraine, the imports that help the Ukrainian
337 freedom fighters, those that are seeking self-determination.
338 This Administration is, instead, helping Putin. On day one,
339 a year ago, President Biden blocked the Keystone Pipeline,
340 but yet greenlighted Nord 2 for Putin.

341 This makes no sense. Energy is so important to our
342 national security, to our economy, to jobs, to

343 competitiveness.

344 The Energy Information Administration reported energy
345 prices rose more than all commodities over the last year, 60
346 percent higher than at the beginning of 2021. Another
347 projection shows little to no prospect for relief. We have
348 the highest inflation in 40 years, from the grocery store to
349 the gas pump. Inflation is hitting low and middle-income
350 Americans the hardest.

351 What Americans pay for energy matters. It drives all
352 aspects of our economy, touching every supply chain and every
353 part of our lives. It matters to farmers who are growing our
354 food; the manufacturers who make the products we need; the
355 truck drivers who deliver them. It matters to the store
356 owners who are struggling to keep their shelves stocked; the
357 restaurant managers who need to keep food on their menus, and
358 the lights on. It matters to Americans who are stretching
359 their budgets to feed their families, fill up their gas
360 tanks, drive their kids to school, and get themselves to
361 work.

362 The price, affordability, and reliability of energy is
363 foundational to our way of life, and to peace and security
364 around the world. We cannot afford another year of these
365 failed policies.

366 To understand the risk for Americans, look no further
367 than the troubling example of current European and UK energy
368 crises, the skyrocketing rates, upwards to three times what
369 we have in the U.S. It is a direct result of radical
370 policies that drove these nations to rely upon weather-
371 dependent renewables and, increasingly, Russian energy, which
372 threatens Europe.

373 Thankfully for our security, we have had American LNG
374 exports, made possible by the shale technology revolution.
375 These exports supported energy and price relief to our
376 European allies, and helped drive cleaner energy and power.
377 But that is all being threatened right now.

378 Energy security matters. It matters for economic
379 security. It matters for national security. And it also
380 supports cleaner energy systems. After a year of President
381 Joe Biden's energy crisis, we should reset our energy policy
382 oversight to focus on priorities for maintaining energy and
383 economic security. That is why Republicans are leading on
384 the securing cleaner energy agenda.

385 Now, specifically regarding today's discussion on
386 pipelines, Russia and China will not stop their campaign to
387 dominate global demand for fossil fuels. Nor will the real
388 impacts on everyday Americans disappear if we ignore the

389 harmful impacts to replacing pipelines with weather-dependent
390 renewables. We need affordable and reliable supplies. And
391 anything that we do that impedes affordable, reliable energy
392 will be harmful to our families, our workers, and the nation.

393 America's abundant energy supplies and world-class
394 system of fuels and electricity delivery powers our
395 prosperity, competitiveness, and, ultimately, our security.
396 This is what ensures America's manufacturing and industrial
397 competitiveness. This is what provides us strategic
398 resources and the flexibility to confront our adversaries and
399 assist our allies. And the pipelines that deliver these
400 strategic resources are among the safest, environmentally
401 friendly, and cost effective methods.

402 Today's hearing questions what is necessary to assure
403 people have energy and power they need when they need it
404 most. But assuring people have energy and power when they
405 need it cannot be an excuse for sweeping, duplicative, and
406 deep intrusion by the Federal Government into every part of
407 the complex energy system. That is what this legislative
408 proposal appears to do. And given this Administration's
409 record, I do not support this expansive authority.

410 I look forward to working with the majority on this, and
411 I hope we can head in a different direction.

412 I welcome our witnesses, and I will yield back at this
413 time. Thank you, Mr. Chairman.

414 [The prepared statement of Mrs. Rodgers follows:]

415

416 *****COMMITTEE INSERT*****

417

418 *Mr. Rush. The gentlelady yields back.

419 The chair would like to remind members that, pursuant to
420 committee rules, all members' written opening statements
421 shall be made part of the record.

422 I would like to welcome our witnesses now that are
423 present for today's hearing: the Honorable Richard Glick,
424 the chairman of the Federal Energy Regulatory Commission.
425 And joining him is the Honorable David M. Turk, who is the
426 deputy secretary of the U.S. Department of Energy.

427 It is so good to see you again. And I want to thank
428 each of you for joining us today, and we look forward to your
429 testimony.

430 At this time it is my honor to recognize each member for
431 five minutes to provide their opening statement.

432 Before we begin, I would like to explain once again to
433 the witnesses the lighting system for testifying in person.
434 In front of our witnesses is a series of lights. The lights
435 will initially be green. The light will turn yellow when you
436 have one minute remaining. Please begin to wrap up your
437 testimony at that point. The light will turn red when your
438 time expires.

439 Chairman Glick, once again, welcome to you, and you are
440 now recognized for five minutes for an opening statement.

441

442 STATEMENT OF RICHARD GLICK, CHAIRMAN, FEDERAL ENERGY
443 REGULATORY COMMISSION; AND DAVID M. TURK, DEPUTY SECRETARY,
444 U.S. DEPARTMENT OF ENERGY

445

446 STATEMENT OF RICHARD GLICK

447

448 *Mr. Glick. Thank you, Chairman Rush, Chairman Pallone,
449 Ranking Member Upton, Ranking Member McMorris Rodgers, and
450 members of the subcommittee. Thank you for inviting me to
451 appear before you today to discuss H.R. 6084, the Energy
452 Product Reliability Act, which addresses the need to enhance
453 the reliability and security of our nation's energy
454 pipelines. I applaud the committee's leadership in working
455 to ensure reliable energy supplies for the American people.

456 The Energy Policy Act of 2005 gave the Federal Energy
457 Regulatory Commission a key role in ensuring the reliability
458 of the bulk power system. Under EPAct, the Commission
459 certified the North American Electric Reliability Corporation
460 as the electric reliability organization. The ERO develops
461 reliability standards, which are subsequently renewed --
462 reviewed by FERC, and the relevant entities must comply with
463 any reliability standards that FERC approves.

464 EPAct also provided for the enforcement of electric

465 reliability standards, including penalties for violations.
466 NERC and its regional entities may impose penalties for
467 non-compliance, subject to review by the Commission. In
468 addition, FERC has independent authority to conduct its own
469 investigations and impose penalties on any entity that
470 violates the reliability standard.

471 There are currently 93 FERC-approved mandatory
472 reliability standards for the bulk power system, 12 of which
473 address cybersecurity. These mandatory reliability standards
474 have made great strides towards improving reliability of the
475 bulk power system. In contrast, there is no comparable
476 mandatory reliability regime for natural gas and other
477 pipelines that transport energy products, including gasoline
478 and propane.

479 The lack of mandatory reliability standards, especially
480 for natural gas pipelines, poses a risk to the reliability of
481 the bulk power system, due to the interdependency of our
482 nation's gas and electric infrastructure. In 2021, natural
483 gas-fired electric generation facilities accounted for
484 approximately 37 percent of U.S. electricity generation. If
485 a pipeline failure or cyber attack disrupts gas supplies,
486 electric generation capacity dependent on that pipeline could
487 be lost, possibly leading to blackouts on the electric grid.

488 This is more than a hypothetical situation. As
489 described in a report released on November 16th, FERC staff
490 and NERC staff engaged in a joint inquiry into last year's
491 massive blackouts across Texas, and limited power outages in
492 surrounding states during Winter Storm Uri. Although the
493 joint inquiry identified several factors that contributed to
494 these events, one of the primary causes was the lack of
495 natural gas available for electric generation. The extreme
496 cold reduced natural gas production and processing
497 capability, and this impact was exacerbated because many of
498 those gas facilities that were not frozen were unable to
499 operate because they lost electric power. It isn't clear how
500 well natural gas pipelines actually fared, because there was
501 limited natural gas to transport.

502 To address the rest of the disruption of natural gas
503 production or transportation that could negatively impact the
504 operation of the bulk power system, the report recommends
505 that FERC, Congress, state legislatures, and regulatory
506 agencies with jurisdiction over natural gas infrastructure
507 facilities adopt a new requirement for reliable operation of
508 natural gas infrastructure. These recommendations include
509 the designation of a single Federal agency with authority
510 over pipeline reliability.

511 The challenges to energy pipeline reliability go beyond
512 extreme weather. Last year's ransomware attack against the
513 Colonial Pipeline illustrates the serious cybersecurity
514 threat facing the nearly three million miles of pipelines
515 that transport natural gas, oil, and other energy products
516 across the United States. As a result of that attack,
517 Colonial Pipeline shut down for several days, causing price
518 spikes and shortages, from Texas to New Jersey.

519 A similar attack against the natural gas pipeline
520 serving electric generators has the potential to also impair
521 the reliability of the electric grid. In my view, it is
522 critical that energy pipelines also be subject to mandatory
523 cybersecurity standards. In fact, former chairman Chatterjee
524 and I publicly called for the establishment and enforcement
525 of mandatory cybersecurity standards for pipelines several
526 years ago.

527 Turning to the legislation that is the subject of
528 today's hearing, H.R. 6084, it is similar to the legislation
529 adopted by EPAct -- adopted in EPAct, establishing a
530 mandatory reliability regime for the bulk power system. I
531 would like to highlight a few certain features of the
532 legislation that should help address the risks I have
533 described.

534 First, the legislation calls for the creation and
535 certification of an energy product reliability organization,
536 similar to the process that led to the designation of the
537 ERO.

538 The legislation calls for the development of mandatory
539 standards to ensure the reliable delivery of energy products.
540 Although the EPRO is responsible for the development of
541 reliability standards in the first instance, the legislation
542 would provide the Commission with the authority to order the
543 development of reliability standards, and to require the EPRO
544 to issue emergency standards, if warranted.

545 Finally, the legislation would provide the Commission
546 with authority to review EPRO enforcement actions, and to
547 independently investigate and penalize violations of any
548 reliability standard.

549 I thank the committee for the opportunity to share my
550 perspectives today. Legislation to establish and enforce
551 reliability standards for the pipeline network will better
552 secure the reliability of our nation's energy infrastructure
553 in the face of threats such as extreme weather and cyber
554 attacks. I applaud the committee for taking this long-
555 overdue issue -- taking up this long-overdue issue, and FERC
556 remains available to provide technical assistance during the

557 legislative process.

558 I would like to close my testimony today with a note of
559 gratitude to Chairman Rush. As his colleagues just
560 mentioned, he will be -- he is preparing to leave the House
561 at the conclusion of this session. Throughout Chairman
562 Rush's 30-year career in the House of Representatives, I have
563 admired his devotion to his constituents and his strong
564 commitment to addressing the most challenging and
565 consequential energy policy questions of our time.

566 Thank you, Chairman Rush, for your support of the
567 Commission, and for your leadership.

568 And with that, I look forward to today's discussion and
569 answering your questions.

570 [The prepared statement of Mr. Glick follows:]

571

572 *****COMMITTEE INSERT*****

573

574 [Pause.]

575 *Mr. Upton. Mr. Chairman, you are muted, but I am
576 presuming that you are introducing Mr. Turk.

577 *Mr. Rush. I guess --

578 *Mr. Upton. There you go.

579 *Mr. Rush. I want to thank you, Chairman Glick.

580 Chairman --

581 [Audio malfunction.]

582 *Mr. Rush. -- you are recognized for five minutes for
583 your opening statement.

584

585 STATEMENT OF DAVID M. TURK

586

587 *Mr. Turk. Good morning, and thank you for the
588 opportunity to be with you today to discuss the Department of
589 Energy's role in making sure our energy system, specifically
590 oil and natural gas pipelines, which is the issue of the
591 hearing today, are reliable, secure, and resilient. And let
592 me have a special thanks to Chairman Rush for his leadership
593 and years and years of service.

594 And I know everyone wishes you all the best in your
595 future chapter in life.

596 *Mr. Rush. Thank you.

597 *Mr. Turk. I would also like to thank Ranking Member
598 Upton for your strong support of DoE for many, many years.
599 Thank you very much, sir.

600 And thank you to Chairman Pallone and Ranking Member
601 McMorris Rodgers for their leadership of the full committee,
602 as well. And thanks to all the members of this incredibly
603 important subcommittee for your commitment to strengthen our
604 nation's energy systems, and for the trust and the investment
605 you have placed in our Department.

606 The Department of Energy is the risk management agency
607 for the entire energy sector, and our dedicated team bring a

608 wealth of unique expertise to do everything from helping
609 companies identify cybersecurity vulnerabilities in the first
610 place, to addressing supply chain risks for the energy
611 sector.

612 As the President stated in his national security
613 memorandum in July of last year, cybersecurity threats pose
614 -- control and operations systems, they pose a threat to
615 control and operations systems that are among the most
616 significant and evolving issues that we face today. And it
617 is why we need to work hand in hand, public and private
618 sector working together. And there is certainly a lot more
619 to do, and it is a crucial time for this committee to take on
620 this issue, to have this hearing, to work on this
621 legislation, to discuss and come up with a plan to ensure
622 reliability and security of our energy systems that all of
623 our American citizens, all of our American people depend on.

624 And we certainly, at the Department of Energy, take this
625 responsibility incredibly seriously to make sure we have
626 reliable, affordable energy for all Americans. The Congress,
627 especially this committee and subcommittee, have provided us
628 and will need to continue to provide us the foundation and
629 framework to fulfill this responsibility. We are grateful
630 for your commitment to strengthening our energy security and

631 resilience, including on the cybersecurity side.

632 Shortly after the Colonial Pipeline incident, which I
633 personally spent a lot of time on -- and I know a lot of you
634 focused on this issue, as well -- this committee introduced
635 four key pieces of legislation on cybersecurity, and we very
636 much look forward to continued discussion, not only in this
637 hearing, but after the hearing on the Energy Product
638 Reliability Act, in particular.

639 Over the last decade, the Department of Energy has built
640 trusted relationships across electricity, oil, and natural
641 gas industries, and with key state and local government
642 agencies. We think it is absolutely critical to focus on the
643 full oil and gas supply chain when we talk about energy
644 security, upstream to midstream, and the downstream. That is
645 why we work daily with electricity and oil and gas -- oil and
646 natural gas owners and operators to assess risks, to share
647 threat information, and to mitigate impacts.

648 We work with owners and operators in 26 trade
649 associations covering the entire oil and gas supply chain
650 across the U.S. and Canada, as well, and the 30 CEOs and
651 trade associations representing the electricity sector.

652 We work with the full range of our interagency partners:
653 CISA, and FBI, PHMSA, TSA, and, of course, under the White

654 House leadership of Anne Neuberger and Chris Inglis.

655 And let me say I am particularly glad to be here with
656 Chairman Glick, for his personal leadership and FERC's
657 leadership, providing a terrific example of how to
658 successfully coordinate up and down the full supply chain
659 when it comes to the electricity sector.

660 We all need to work together as an ecosystem to respond
661 quickly and effectively to all the threats to our energy
662 system, including on cybersecurity. We saw the effectiveness
663 of this team approach many times over the past year, one
664 example being the May 2021 Colonial Pipeline ransomware
665 attack, where our whole-of-government approach helped
666 decipher the problem, restore service up and down the East
667 Coast in a matter of just a few days. And we are ready to
668 take action to prevent similar events from happening in the
669 future.

670 And we do need to think beyond pipelines, as well. We
671 have seen attacks around the world, including in Saudi
672 Arabia, on oil refineries from the cybersecurity side. We
673 need to work together to shore up our defenses against all
674 cyber threats and other impacts across the energy system.

675 We need to simultaneously maintain security and
676 resilience and affordability of all our energy systems, while

677 supporting innovation to address other major threats,
678 including on the climate change front. DoE and the Federal
679 interagency are working day in and day out to address this
680 complex and ever-changing threat environment, and we simply
681 can't do this important work without the leadership and
682 support of Congress, and especially this subcommittee.

683 So in the coming weeks and months, all of us in the
684 Department of Energy look forward to working with you and
685 your colleagues in Congress on this important topic.

686 Thank you, and I look forward to answering all your
687 questions.

688 [The prepared statement of Mr. Turk follows:]

689

690 *****COMMITTEE INSERT*****

691

692 *Mr. Rush. We will now conclude opening statements. We
693 will now move to members questioning. Each member will have
694 five minutes to ask questions of these very fine witnesses,
695 and I will begin by recognizing myself for five minutes.

696 Chairman Glick and Deputy Secretary Turk, again, thank
697 you for joining us today.

698 Chairman Glick, in your testimony you stated that the
699 lack of mandatory reliability standards, especially for
700 natural gas pipelines, posed a risk to the reliability of the
701 bulk power system in its entirety. You have touched on this
702 topic before, including at FERC's opening meetings and in the
703 wake of the release of the FERC-NERC joint staff report on
704 the impact of Winter Storm Uri. As an unfortunate note, this
705 is the second time in a decade that FERC and NERC have had to
706 issue a joint report on the impacts of winter weather and
707 blackouts in Texas, which we all agree was indeed a tragedy.

708 Chairman Glick, can you elaborate for us on the threat
709 that a lack of mandatory reliability standards for the
710 natural gas pipeline industry poses to the reliability of the
711 bulk power system? Or, in other words, how the current lack
712 of standards threaten everyday Americans' ability to keep the
713 lights on in their home.

714 *Mr. Glick. Thank you very much, Mr. Chairman, for the

715 question.

716 I want to -- as your question noted, I think the best
717 example may, again, be what happened last February in Texas,
718 with regard to Winter Storm Uri. And recall, we had FERC
719 staff and NERC staff engaged in a joint inquiry. And
720 essentially, there were two major conclusions as to what the
721 causes were for the loss of so much generating capacity --
722 lost about 35,000 megawatts of electric generation capacity
723 in Texas, which is a very significant amount.

724 One of the causes was the fact that the electric
725 generation plants were not sufficiently weatherized, and a
726 lot of the parts froze, so it got very cold, as we know. The
727 parts froze, and they were -- they just were inoperable, and
728 those plants had to shut down.

729 But the other major cause was the fact that over 50
730 percent of the electric generation in Texas was fueled by
731 natural gas, or is fueled by natural gas. And in large part,
732 because either the gas production was reduced because some of
733 the gas processing and production facilities froze, and --
734 but also because the -- those gas facilities lost electric
735 supply, and they had -- and because of that they had to shut
736 down, and they weren't able to provide additional gas. And
737 so it was, essentially, a never-ending, you know, circle of

738 problems, and that was -- that is what caused the problem.

739 I think the issue is we need to -- and I think the joint
740 inquiry said this best -- is we need to have a system where
741 we ensure reliable sources of fuel for electric generation,
742 and that, particularly, includes natural gas.

743 *Mr. Rush. Thank you, Chairman Glick. Thank you so
744 much. I do have another question for Secretary Turk. Thank
745 you so much. If you have any other statements, please share
746 them with us in a letter.

747 Deputy Secretary Turk, one of my goals as chair of this
748 subcommittee has been to -- for greater minority employment
749 and representation in the energy-related industry. A study
750 by the --

751 [Audio malfunction.]

752 *Mr. Rush. -- Consortium found that only nine percent
753 of -- in the cybersecurity industry were African-American.

754 Given the DoD's focus on cybersecurity, and the Biden
755 Administration policy to cultivate a Federal workforce that
756 draws from the full diversity of the nation, what steps has
757 DoE taken to increase minority employment in the
758 cybersecurity world?

759 *Mr. Turk. Well, thank you, Mr. Chairman, not only for
760 the question, but for your leadership on this incredibly

761 important issue.

762 And this is a top priority that we share at the
763 Department of Energy, Secretary Granholm, myself, all of us,
764 and we spend a lot of time trying to make sure, not just on
765 cybersecurity, but throughout energy, we have an energy
766 workforce at the Department and more broadly that represents
767 all the talents of everyone around our country.

768 The nine percent figure that you highlight is just not
769 good enough. We need to do more, we can do more, we should
770 do more. And, frankly, we are going to be more successful on
771 cybersecurity if we do more hiring from a full range of our
772 American talents. So we are doing an awful lot.

773 Let me give you one particular example. We ran a 2021
774 DoE CyberForce competition, and inviting 21 minority-serving
775 institutions to be fundamentally a part of that, so we can
776 attract more and more top talent to be part of the
777 cybersecurity solutions, going forward.

778 So again, thank you, Chairman, Mr. Chairman, for all
779 your leadership on that issue.

780 *Mr. Rush. Thank you very much. The chair will now
781 recognize Mr. Upton, the subcommittee ranking member, for
782 five minutes for questions.

783 *Mr. Upton. Thank you, Mr. Chairman.

784 Mr. Turk, when I was chair -- actually, before I was
785 chairman of this committee, I pushed -- we all did -- for an
786 all-American energy strategy, helped lead the effort to
787 launch the North American Energy Independent Plan, which was
788 in place. As part of that we saw the expansion of LNG
789 exports, which was mightily important, both under the Obama
790 as well as the Trump Administration. It created thousands of
791 jobs, sent the signal that we are going to increase supply,
792 so more production, a big role in reducing carbon emissions,
793 not only here but around the world, as well.

794 And I was reminded by Cathy McMorris Rodgers it was six
795 years ago that I led a bipartisan trip of members from this
796 committee to the Ukraine, and we talked a lot about LNG
797 exports and the importance there, a signal to the free world.
798 And, of course, as we look at today's crisis, the alternative
799 to LNG exports from us is probably Russia, not something that
800 a lot of us are anxious to see happen. Also, knowing the
801 impact of dirtier gas.

802 This morning, when I came in, I looked at National
803 Journal, and I am very troubled by a story here that says on
804 page one there is a long-shot campaign -- I hope it is long-
805 shot -- to bar natural gas exports. And in the story it
806 references an anonymous DoE source that says there has been

807 no change in our position on LNG -- who requested to be
808 anonymous to speak freely, told the National Journal, "We
809 continue to have various tools in our toolbox, but a ban is
810 not currently under consideration."

811 Can you confirm that, the ban is not under
812 consideration?

813 *Mr. Turk. Well, thank you very much, Ranking Member.

814 *Mr. Upton. I presume that this isn't you. It is
815 quoted, but we would like to quote you saying that the story
816 is accurate.

817 *Mr. Turk. I have been around D.C. long enough to know
818 that it is not good to be an unnamed source for these kinds
819 of things. You put your head down and do the work that you
820 are empowered to do.

821 And thanks for your leadership on many of these issues,
822 including your leadership on methane emissions and critical
823 minerals, which are -- we are focused on a lot, and really
824 appreciate on that side.

825 We have been blessed in our country with a wide range of
826 energy resources across the spectrum, and we are certainly
827 trying to, from the Department of Energy, make sure that,
828 with the support -- and thanks for those members of this
829 committee who supported the bipartisan infrastructure

830 legislation, which gives us an opportunity to push out even
831 more, whether it is hydrogen, CCUS, or electricity
832 resilience, supply chains more generally.

833 This country's LNG has been increasing for many years,
834 and that certainly does have benefits. And it has energy
835 security benefits to European colleagues, to European
836 countries, to Japan, to a number of other countries --

837 *Mr. Upton. So you would agree that a ban on exports
838 would be a bad idea.

839 *Mr. Turk. So we have been looking at the full range of
840 tools that we have got in our tool belt for affordability.
841 That is why we did the SPR release --

842 *Mr. Upton. That is what this guy says -- I am
843 presuming it is a guy, but I don't know that. This
844 individual says they are looking at -- one of the issues that
845 we are hearing about is that there is a -- some effort,
846 perhaps, to shrink the license time that licensees or
847 companies get, as it relates to exports. Is that one of the
848 tools in the toolbox? I hope not.

849 *Mr. Turk. So the way the LNG authorizations are set
850 up, there is both a FERC responsibility and a DoE
851 responsibility. It is congressional legislation that gives
852 us both responsibilities in these areas. We are following

853 the statute and requirements of that.

854 The FERC makes decisions on the installation --

855 *Mr. Upton. I would like to get an answer before my
856 time expires.

857 *Mr. Turk. So we take our responsibility seriously. We
858 are trying to do what Congress has told us to do, and take
859 into account the full range of issues that should go into
860 national interest determinations on LNG decisions, more
861 generally.

862 *Mr. Upton. I just think that the certainty of a
863 contract and a license ought to be imperative to the
864 companies as they make decisions that impact --

865 *Mr. Turk. And I have certainly --

866 *Mr. Upton. -- lots of money.

867 *Mr. Turk. And I have certainly talked to a range of
868 companies, and understand the need for contractual certainty,
869 and the certainty that provides not only our companies, but
870 our partners abroad, as well.

871 *Mr. Upton. All right. Last question, now that I am
872 now under the 20-second mark.

873 We have an issue in Michigan and the Midwest called Line
874 5. You are well aware of it. A number of folks have been
875 waiting for a formal response from this Administration as to

876 whether or not this line ought to be replaced or not.
877 Governor Snyder, three years ago, embarked on a deal, worked
878 with PHMSA, all the different players to get that line
879 replaced, which a lot of us would like to see to impact --
880 positive impact on the Great Lakes.

881 Can we expect a formal response to the court's request
882 as to where the Administration stands on replacing Line 5?

883 *Mr. Turk. So the Department of Energy does not have
884 the jurisdiction in that area, so I will have to defer to the
885 interagency and White House colleagues, who do have that
886 responsibility.

887 *Mr. Upton. Okay. My time is expired. I yield back.

888 *Mr. Rush. The gentleman's time has expired. The chair
889 now understands that the chairman of the full committee has
890 been called away. So now we will go to Mr. Peters.

891 Mr. Peters, you are recognized for five minutes.

892 *Mr. Peters. Thank you, Mr. Chairman, thank you for
893 your leadership, and congratulations on your announcement.

894 We are seeing the effects of climate change in more
895 dangerous hurricanes, heat waves, and another year of
896 devastating wildfires across the West. This is a direct
897 threat to our energy system, and we saw that in February
898 2021, during the Texas winter storm that, tragically, took

899 hundreds of lives.

900 In this case, one key failure was that natural gas
901 infrastructure was unable to function under the harsh
902 conditions. It is not a problem unique to Texas, or a
903 particular source of energy. We are having plenty of
904 challenges in my own home state of California with wildfires,
905 drought, and the addition of significant amounts of variable
906 renewable energy to our electric grid.

907 So regardless of the technology in question, or the
908 extreme weather threat, we have to ensure that Americans have
909 access to affordable energy when they need it. And we have
910 done this effectively in the electric power sector through
911 the North American Electric Reliability Corporation, or NERC.

912 So I want to applaud the Department of Energy also for
913 the recently announced Building a Better Grid Initiative,
914 which will implement key pieces of the bipartisan
915 infrastructure legislation, including my POWER ON Act. These
916 policies will make the electric grid more reliable, more
917 resilient, and cleaner.

918 And we can't rely on a piecemeal regulatory approach
919 that maintains the resilience of some parts of our energy
920 systems, while neglecting others. We need common-sense
921 standards to ensure reliability across our entire energy

922 system, from transmission lines to pipelines. And I commend
923 the chairman for proposing legislation that would work us
924 toward that end.

925 Chairman Glick, I wondered if you could speak to the
926 reliability benefits the North American Reliability
927 Corporation, or NERC, has provided to the bulk power system
928 already, especially against extreme weather.

929 [Pause.]

930 *Mr. Glick. Sorry about that. Thank you very much for
931 the question, Congressman.

932 So the standards have been in place, essentially, for
933 probably about 15 years or so, some of them. Some of them
934 have been updated more recently. But I think they have been
935 quite successful.

936 I mean, it is hard to -- you know, there has been a
937 number of outages over time. A lot of it really related to
938 the local systems, you know, when there is a hurricane and
939 distribution lines blow down, and so on.

940 But if you recall, there were some significant problems
941 with the grid before these -- this requirement went into
942 effect. In 2003 there was a major blackout in the eastern
943 part of the United States. And so far, with these standards,
944 I believe they have gone a long way to avoiding those types

945 of catastrophes.

946 *Mr. Peters. Yes, I was in New York City during that
947 blackout, and it was quite an experience, a lot of amateur
948 traffic directors trying to get people through the
949 intersections.

950 Chairman, could you also speak to the -- address the
951 status of the proposed rulemaking focused on transmission,
952 and maybe elaborate on how the Building a Better Grid
953 Initiative could improve electric reliability?

954 *Mr. Glick. Thank you again for the question. And as
955 you well know, because I know you are very active on this
956 issue, electric transmission plays a very important part, in
957 terms of reliability. It provides alternative sources of
958 electricity when a particular line is clogged, or a
959 particular line goes down. It provides -- certainly adds to
960 the resilience of the grid to deal with extreme weather
961 conditions, whether it be wildfires, hurricanes, tornadoes,
962 whatever that may be. And so there is no doubt that
963 reliability benefits is one of the major reason that --
964 reasons that we need to develop or build out a stronger grid.

965 FERC has issued an advance notice of proposed rulemaking
966 last year, addressing a series of questions of how we are
967 going to reform our approach to planning transmission,

968 allocating costs for transmission, dealing with the
969 interconnection of generation facilities to the electric
970 grid, issues like that. And we have received a number of
971 comments.

972 My great hope is that we will have an actual notice of
973 proposed rulemaking, which is a proposal to reform our
974 regulations, within the next couple of months. And my goal
975 is to have -- at least to start with a final rule, at least
976 on some of these issues, by the end of the year.

977 *Mr. Peters. It is my view that we responded as country
978 responsibly to the outages we saw, like the one in 2003.
979 What is your response to the folks who say that there is no
980 Federal role in -- with respect to a similar regime on gas
981 infrastructure?

982 *Mr. Glick. Well, I think there is really two
983 responses, one of which is that we, as I mentioned before, we
984 have authority over the reliability of the bulk power system.
985 The bulk power system is heavily dependent on the reliability
986 of gas pipelines. And so there is -- I think there is
987 certainly a Federal role there.

988 And secondly, the -- we are talking about interstate
989 natural gas pipelines -- often, interstate natural gas
990 pipelines, which are subject to Federal jurisdiction. And

991 again, I think there is -- the states might not be capable,
992 at least, of addressing those particular issues in
993 reliability with regard to interstate pipelines.

994 *Mr. Peters. I think that is clear, and I appreciate
995 the opportunity to discuss it today.

996 Thank you, Mr. Chairman. I yield back.

997 *Mr. Rush. The gentleman yields back. The chair now
998 recognizes Mrs. Rodgers, the full committee ranking member,
999 for five minutes.

1000 Mrs. Rodgers, you are recognized.

1001 *Mrs. Rodgers. Thank you, Mr. Chairman.

1002 Mr. Turk, your testimony outlines Department of Energy's
1003 responsibilities for preparing and responding to hazards, to
1004 risk, and to threats to the delivery of our nation's energy
1005 and power. And this is useful.

1006 The core mission of DoE's -- of DoE is, after national
1007 security, is energy security, and we must maintain
1008 reliability and affordability.

1009 I would like to ask, is Department of Energy making
1010 recommendations to the Administration on the risk of American
1011 disengagement from fossil fuels, and shifting geopolitical
1012 energy power to our adversaries, Russia and China?

1013 *Mr. Turk. Well, thanks, Ranking Member, for the

1014 question. And I think, just as you have said -- and I don't
1015 think anyone would disagree with this -- we need to do three
1016 things at the same time: we need to make sure we have
1017 affordability for all of our American citizens, all of our
1018 American people -- and we spend an awful lot of time on that;
1019 we need to make sure there is security, national security,
1020 energy security; and we also need to make sure that we are
1021 promoting and pushing on the sustainability side of things,
1022 and making sure that we have a proactive, ambitious,
1023 aggressive plan to reduce our carbon impact, and so we don't
1024 have the impacts of extreme weather that we have seen all
1025 across the country this past year, over \$145 billion worth of
1026 damage caused --

1027 *Mrs. Rodgers. Excuse me.

1028 *Mr. Turk. -- by that.

1029 *Mrs. Rodgers. Excuse me, Mr. Turk. Are you making
1030 recommendations to the Administration on the geopolitical
1031 impact of shifting from fossil fuels to China and Russia?

1032 *Mr. Turk. So what we have been recommending all along
1033 is to both make sure that we are moving as ambitiously as we
1034 can on this clean energy transition, to have a variety -- a
1035 wide variety --

1036 *Mrs. Rodgers. Okay, okay, I am going to run out of

1037 time here. Very quickly --

1038 *Mr. Turk. -- some time --

1039 *Mrs. Rodgers. Excuse me, excuse me. I am going to
1040 move on.

1041 I have a letter I would like to submit to the record to
1042 -- that I wrote to Secretary Granholm to oversee what DoE is
1043 doing to reduce dependence upon Chinese minerals, and help
1044 develop domestic supply chains for these minerals. And I ask
1045 that this document be entered into the record.

1046 And I know, Mr. Turk, you have not reviewed this letter.
1047 I would like to ask at another time for you to come and brief
1048 the members of this committee on the plans to develop more
1049 secure and domestic supplies for critical minerals and
1050 technologies to meet the goals that you just outlined, okay?
1051 It is going to be very important that we are developing
1052 domestic supplies. Otherwise, we are going to be dependent
1053 upon China, and they will shut us down.

1054 The previous Administration identified vulnerabilities
1055 in the bulk power system chain from China and other
1056 adversarial actors. It issued an order to block components
1057 that put critical electric infrastructure at risk. This
1058 Administration immediately rescinded that order, and proposed
1059 a renewed electricity supply chain initiative, seeking

1060 information from stakeholders.

1061 Mr. Turk, you mentioned a set of 100-day sprints in your
1062 testimony. Is the electric supply chain security part of
1063 this sprint?

1064 And what is the status of your work to block components
1065 from adversaries that put our electric system at risk?

1066 *Mr. Turk. So this President has made supply chains and
1067 critical minerals an absolute top priority, and we are
1068 spending an awful lot of time at the Department of Energy.
1069 We have got now a dozen in-depth exercises, reviews, studies
1070 looking at the full supply chain.

1071 And completely agree with you, we need to diversify
1072 supply chains, including on critical minerals, including for
1073 batteries, doing more domestic production, more domestic
1074 efforts all across the supply chain, and working with
1075 reliable allies all across the country. So we would be more
1076 than happy to come back up -- myself personally, others from
1077 the Department -- and give this committee a full briefing,
1078 and get your guidance and thoughts on how we can make sure we
1079 work together --

1080 *Mrs. Rodgers. Okay, okay, I will look forward to
1081 working with you on that. Thank you very much.

1082 China, overwhelmingly, dominates the global critical

1083 mineral supply chain, including 90 percent of silicon wafers
1084 used in solar panels; 80 percent of the rare Earth minerals
1085 that go into wind turbines and electric vehicle motors. Do
1086 you have concerns that relying upon Chinese supply chains for
1087 our energy resources and technologies can make our grid less
1088 reliable?

1089 And secondly, recent comments from an NBA owner made
1090 headlines over the weekend because of his assertion that
1091 there is a low level of interest in the ongoing genocide of
1092 the Uyghurs in China. Republican members on this committee
1093 have been highlighting the fact that much of the supply
1094 chains for wind, solar, batteries in China are made by forced
1095 labor of the Uyghurs. In fact, we offered an amendment
1096 during the Energy and Commerce markup of the Build Back
1097 Better, but it -- to prohibit the use of products made by
1098 slave labor. But that was voted down.

1099 I know you have highlighted environmental justice as a
1100 priority for you at the Commission. Do you think that the
1101 United States should be using technologies including wind,
1102 solar, and batteries produced in China with forced labor?

1103 *Mr. Turk. So, completely agree with you, Madam Ranking
1104 Member, on the concerns on the China front, on the forced
1105 labor side and on having a surety of supply over time,

1106 including for these minerals that we will need even more of,
1107 going forward. And we and the Administration, working hand
1108 in hand with Congress, have to get serious about actually
1109 putting in place the ability to build up our domestic
1110 manufacturing.

1111 Solar PV manufacturing is a great example. We at the
1112 Department of Energy, our national labs, funded by the
1113 Congress, funded by the American citizens, did all the
1114 groundbreaking work to get solar PV technology in the place
1115 that it has gotten to. And what we didn't do is follow
1116 through to have the incentives, make sure that we have got in
1117 place the manufacturing infrastructure to take advantage of
1118 that. And now all of that has moved to China and a few other
1119 countries around the world.

1120 We need to have incentives, just like included -- the
1121 SEMA legislation that is included in the Build Back Better
1122 agenda, to actually have incentives to make sure that we can
1123 do the domestic production that we need to. So happy to work
1124 hand in hand, and make sure that we have got a series of
1125 incentives, a real plan to build domestic manufacturing,
1126 including on supply chains, including in all of these raw
1127 supplies and other materials we get from China.

1128 It is not good to be beholden to one country for these

1129 supplies, absolutely.

1130 *Mrs. Rodgers. We need domestic -- you know, the
1131 steelworkers in Spokane, Washington told me that a real
1132 infrastructure package would have included mining in the
1133 United States of America. I am anxious for that
1134 recommendation to come from the Administration to unleash --
1135 if we are really going to do this, we need to be honest about
1136 what it is going to take.

1137 I do look forward to working with you, too. Thank you.

1138 *Mr. Rush. The gentlelady yields back. The chair now
1139 would like to recognize a man of two distinctions in the
1140 Congress, who has also announced that he will not seek re-
1141 election. He is renowned as a Member of Congress, and also
1142 as the coach of the Democratic baseball team, none other than
1143 our friend, the representative from the great state of
1144 Pennsylvania.

1145 Mr. Doyle, you are recognized for five minutes.

1146 *Mr. Doyle. Well, thank you, Mr. Chairman. And just
1147 let me say what a pleasure it has been serving with you in
1148 Congress over these past 27 years, and on the Energy and
1149 Commerce Committee, and I wish you the very, very best in the
1150 future. I know that both of us still have things we want to
1151 do. We just won't be doing them in Congress after this year.

1152 But thank you again, and I want to thank you and Ranking
1153 Member Upton for holding this hearing.

1154 You know, as some recent high-profile events have
1155 proven, disruption to our energy supplies has some dire
1156 consequences. And the need for reliability is only going to
1157 increase as we see more extreme weather events and the
1158 proliferation of cyber attacks.

1159 The reliable delivery of energy, whether it is gas, oil,
1160 or electricity, is absolutely critical. And so I am glad
1161 this committee is having this hearing on legislation that
1162 would finally bring standards to the sector, and ensure that
1163 consumers will have power when they need it.

1164 Chairman Glick, Pennsylvania is second only to Texas in
1165 domestic natural gas production, but the reliability issues
1166 that might happen in Texas, such as failure to account for
1167 cold weather in the winter, may not arise in other regions.
1168 Do you think that oil and gas reliability standards should
1169 vary, depending on a region's geography and climate, and
1170 would FERC be likely to take those factors into account in
1171 improving standards imposed by the Energy Product Reliability
1172 Organization that the Act would create?

1173 *Mr. Glick. Thank you for the question, Mr. Doyle.

1174 So the standards themselves, as you pointed out, would

1175 -- under the legislation, would be set by the EPRO. And the
1176 EPRO would, essentially, recommend whether the standards
1177 should be applied internationally, or applied to certain
1178 sections of the country, depending on various factors -- as
1179 you point out, weather being one of them. That is -- a
1180 similar thing happens on the electric side, where sometimes
1181 standards are different, depending on where the utility is
1182 located, and what the particular issue is.

1183 So I think that the legislation would provide -- as
1184 currently drafted, I believe the legislation would provide
1185 flexibility to the EPRO to provide that type of flexibility
1186 to different people around the country, depending on their
1187 circumstances.

1188 *Mr. Doyle. Yes, I think that would be important.

1189 Deputy Secretary Turk, this Department of Energy has
1190 been on the front lines combating cyber threats against our
1191 energy infrastructure. Can you tell us what type of
1192 cybersecurity threats pose the greatest risk to the
1193 reliability of our energy infrastructure, and where are those
1194 threats mostly coming from?

1195 Are the threats posed to the electric industry different
1196 than the threats posed to our natural gas and oil
1197 infrastructure?

1198 *Mr. Turk. Well, the honest answer, we have got threats
1199 across the board. We have got threats from criminals, the
1200 ransomware and other things that we have seen, including in
1201 the Colonial Pipeline situation. And then we have threats
1202 coming from governments, as well, very sophisticated threats.

1203 And it is not just electricity, it is not just
1204 pipelines, it is refineries, it is across the electricity and
1205 across the energy spectrum. So we need to be prepared for
1206 all of that.

1207 And just to answer your previous question to Chairman
1208 Glick, we certainly completely agree. We need to have
1209 mandatory standards. We need to have minimum standards,
1210 working hand in hand with the private sector. We need to
1211 update those standards. And it is good for those standards
1212 to be national, just as you said, so that, whether it is
1213 pipelines or other infrastructure in one state, as --

1214 [Audio malfunction.]

1215 *Mr. Turk. -- but we have really got to continue to
1216 work on these issues. We have got no time to waste.

1217

1218 *Mr. Doyle. Well, let me ask you. While TSA is
1219 theoretically responsible for setting cybersecurity standards
1220 for pipelines, two GAO reports have pointed out how inept

1221 they have been in this regard. Can you elaborate on how the
1222 new EPRO would finally put energy experts in charge of
1223 creating enforceable reliability standards?

1224 *Mr. Glick. Mr. Doyle, if I may -- this is Chairman
1225 Glick -- I think the EPRO would, in several ways, differ from
1226 TSA's current authority.

1227 First of all, TSA has authority over cybersecurity and
1228 physical security of pipelines, but not other reliability
1229 standards, impacts on whether -- other issues that impact the
1230 reliability of pipelines.

1231 Secondly, the -- as I understand, the TSA standards that
1232 were recently released only last for a year, and the EPRO
1233 would be able to propose -- and FERC would essentially
1234 approve -- standards that would be more long-lasting, they
1235 would be permanent standards that could be modified over
1236 time.

1237 And I think it is very important to have a standard-
1238 setting situation where you don't just have to come back
1239 every year and renew those standards, that you would have
1240 some sort of certainty for pipeline companies and others to
1241 make the investments they need to make to comply with longer-
1242 lasting standards.

1243 *Mr. Doyle. Thanks for that clarification.

1244 Mr. Chairman, I see my time has expired, and I will
1245 yield back.

1246 *Mr. Rush. The gentleman yields back. The chair now
1247 recognizes Mr. Latta for five minutes for questions.

1248 *Mr. Latta. Well, thank you very much, Mr. Chairman,
1249 and thanks very much for -- our witnesses, for being with us
1250 today.

1251 And also, I would like to just congratulate you for all
1252 your years of service here in the House of Representatives,
1253 and also to this committee. I want to wish you all the best
1254 in your years ahead.

1255 Late last year, as we were approaching the beginning of
1256 winter, and home heating costs were surging to a seven-year
1257 high, the Biden Administration was considering shutting down
1258 a critically important pipeline that delivers fuel to the
1259 Midwest. And I know my good friend from Michigan has already
1260 touched on this.

1261 In response, I wrote a letter with several of my
1262 colleagues to President Biden, expressing our concerns that
1263 revoking the permit for Line 5 would eliminate tens of
1264 thousands of jobs, jeopardize billions of dollars in economic
1265 activity, exasperate fuel shortages, and price hikes across
1266 the Midwest. It appears the President read our letter,

1267 because several days after receiving it his White House
1268 backed down the idea that they were going to intervene and
1269 shut down the pipeline.

1270 However, Michigan Governor Whitmer continues to play
1271 politics in trying to shut down the pipeline, and the Biden
1272 Administration is still in consultations with the Canadian
1273 Government over the pipeline's fate. That is why I also
1274 joined my colleagues, the gentlemen from Michigan, Messrs.
1275 Walberg and Bergman, to introduce the PIPES Act, which would
1276 prohibit sole executive authority for revoking permits for
1277 the construction or operation of cross-border energy
1278 infrastructure facilities.

1279 If I could start with the deputy secretary, Mr. Turk,
1280 and, again, in keeping with the great traditions of this
1281 committee, with our chairman, former chairman, Dingell, who
1282 this room is aptly named after, I am going to ask a series of
1283 yes-or-no questions.

1284 Are you aware that PHMSA determined there is no unsafe
1285 or hazardous conditions that would warrant shutdown of Line
1286 5?

1287 *Mr. Turk. I am not personally aware of that. Again,
1288 other agencies have the jurisdiction on that, so it is not an
1289 issue I have spent a lot of time on.

1290 *Mr. Latta. All right, because I know I sent a letter
1291 to PHMSA in late 2020, asking for them to confirm this.

1292 Yes or no, based on safety data from DoE and DoT, isn't
1293 it true that pipelines, rather than rail and trucking, are
1294 considered to be the safest and most efficient method for
1295 transporting energy products?

1296 *Mr. Turk. So, as a general rule, there are some
1297 positive safety benefits from pipelines over trucking or
1298 other ways to bring it in, especially when you are talking
1299 significant volumes.

1300 *Mr. Latta. Okay. Yes or no, has DoE conducted an
1301 analysis of the energy security and energy price impacts that
1302 would result from the shutdown of Line 5?

1303 *Mr. Turk. Again, I have not personally spent time on
1304 that, so I can't speak -- what analysis has been done or not
1305 on that. We can certainly get that back to you on the
1306 record --

1307 *Mr. Latta. Okay, is DoE consulting with the White
1308 House or the State of Michigan on a potential Line 5 closure?

1309 *Mr. Turk. I have not personally consulted on that
1310 issue. We have got a full range of other issues that I have
1311 been focused on.

1312 *Mr. Latta. Okay, who would be the one being consulted

1313 on that?

1314 *Mr. Turk. So we can certainly have a follow-up
1315 discussion, and have an answer for the record. And --

1316 *Mr. Latta. Yes. I mean, we really need to get that,
1317 because, as I mentioned earlier, we are talking about
1318 billions of dollars and tens of thousands of jobs that could
1319 impact Ohio and Michigan.

1320 You know, you mentioned earlier about -- and your
1321 testimony, also -- about cybersecurity. Just by coincidence,
1322 in today's Wall Street Journal we got "Risking Cybergeddon,"
1323 and about a coordinated attack could shut down 80 percent of
1324 the U.S. electrical grid.

1325 And so, you know, we have been talking a lot about cyber
1326 in this committee, and how important it is.

1327 Last year, two bills that I co-led with my good friend,
1328 E&C member, the gentleman from California, Mr. McNerney, were
1329 signed into law as part of the infrastructure bill to help
1330 boost grid security and resilience by encouraging
1331 coordination between DOE and electric utilities. Will you
1332 commit to quickly implementing these two bills, the Cyber
1333 Sense Act and Enhancing Grid Security Through Public-Private
1334 Partnerships, given the pressing threat posed to the grid by
1335 cyber attacks?

1336 *Mr. Turk. So, as I have said, we absolutely have to,
1337 and I completely agree with you, Congressman, we absolutely
1338 have to do more on cybersecurity. And the President has said
1339 so. The Secretary, my Secretary, has said so. Our chairman
1340 of our FERC has said so, and eager to work hand in hand with
1341 you on any piece of legislation. And certainly we can
1342 provide our technical expertise and advice on what we think
1343 makes the most sense.

1344 *Mr. Latta. Well, thank you. Let me ask this, in a
1345 follow-up to a -- from a question a little bit earlier.

1346 Is an LNG export ban being considered by the
1347 Administration?

1348 *Mr. Turk. So again, our statutory authority -- and
1349 FERC has another statutory authority -- is looking at the
1350 national interest. And we need to look at affordability, we
1351 need to look at --

1352 *Mr. Latta. Okay, but -- so the question, though, is --

1353 *Mr. Turk. -- security --

1354 *Mr. Latta. -- is it being considered, yes or no?

1355 *Mr. Turk. So we are looking at the full range of --

1356 *Mr. Latta. So you are saying that -- so if I can
1357 interpret what you are saying, you are saying yes.

1358 *Mr. Turk. So we are doing this analysis more broadly.

1359 *Mr. Latta. Thank you very much.

1360 Do you believe that it is in the United States'
1361 interests to provide natural gas to our allies and trading
1362 partners to reduce their energy dependence on dangerous
1363 regimes?

1364 *Mr. Turk. So again, there is a very significant energy
1365 security benefit from our LNG going to Europe, to Japan,
1366 elsewhere. And in the national interest we need to look at
1367 the energy security piece, we need to look at the
1368 affordability to U.S. consumers, and we need to look at the
1369 environmental sustainability in the CO2 footprint, as well.
1370 So we need to look at all of that. But certainly, there are
1371 energy security benefits.

1372 *Mr. Latta. Okay. But again, I am trying to get a yes
1373 or no here, because, again, you know, we -- especially when
1374 we are seeing it happening right now in Russia and Ukraine,
1375 and making sure that -- I was with the then-chairman --

1376 *Mr. Rush. The gentleman's time has expired.

1377 *Mr. Latta. Well, I guess my time has expired. I yield
1378 back. Thank you, Mr. Chairman.

1379 *Mr. Rush. The gentleman's time has expired. The chair
1380 now recognizes the gentleman from California, who has also
1381 announced his retirement. And the chair wants to personally

1382 thank the gentleman for the many times he has assumed the
1383 gavel in the chairman's absence. The chair now recognizes
1384 Mr. McNerney for five minutes.

1385 *Mr. McNerney. Well, I thank the chair and the two
1386 witnesses, and especially Mr. Rush, for your friendship, and
1387 working together, and all your leadership on the issues that
1388 we are discussing today.

1389 I have been working for years to improve the reliability
1390 of our energy systems, especially by addressing the cyber
1391 vulnerabilities, including the two bills to improve grid
1392 cybersecurity with Mr. Latta that he just referred to. These
1393 were included in the Infrastructure Investment and Job Act
1394 just signed into law last year.

1395 Deputy Secretary Turk, I am concerned, however, that not
1396 as much attention has been devoted to pipeline cybersecurity
1397 as has been devoted to grid cybersecurity, and that the lack
1398 of a central agency with energy expertise overseeing pipeline
1399 cybersecurity creates confusion, which, in turn, reduces
1400 security. Since the establishment of the CESER office at DoE
1401 in 2018, how has the DoE built up its internal expertise and
1402 capacity to address and advise on cyber threats?

1403 *Mr. Turk. Well, thank you very much, Congressman, not
1404 only for the question, but for your years and years of

1405 focusing on the cybersecurity side of things and, I have to
1406 say, ahead of the curve in many, many ways.

1407 So this is a top priority for DoE, and we made the
1408 investments. You mentioned the CESER office, a terrific
1409 group of colleagues -- Puesh Kumar, who is the head of that
1410 office, but a terrific group of colleagues. And we focus on
1411 everything from leveraging our expertise, including our
1412 national labs, on cutting edge technology that can be helpful
1413 on the cybersecurity side. We coordinate with the energy
1414 sector, not just the electricity sector, but the oil and gas
1415 sector on our coordinating councils. We work on testing,
1416 including on our CITRIX system, to try to test and make sure
1417 that we can bring that expertise for the private sector, and
1418 make sure that we have got ability to have information
1419 sharing from the public and private sector. Our CRISP
1420 program, in particular, has been incredibly important along
1421 those lines.

1422 And we have got a -- what I think is a very robust
1423 regime on bulk power, and that is the FERC/NERC model that I
1424 think has worked quite well.

1425 And we absolutely need to have mandatory standards on
1426 pipelines, but it goes beyond pipelines to refineries, and
1427 throughout the supply chain on the oil and gas side of

1428 things, as well. We really need to bolster that.

1429 *Mr. McNerney. Thank you for that pretty comprehensive
1430 answer pretty briefly.

1431 Do you see a significant role for artificial
1432 intelligence in the development and implementation of
1433 pipeline cybersecurity?

1434 *Mr. Turk. So we focused on artificial intelligence,
1435 machine learning, making sure we are using all our advanced
1436 computing capabilities, and we have got phenomenal advanced
1437 computing capabilities in our national labs, in particular.
1438 And there is absolutely a role that it can play on pipeline
1439 safety, in addition to a number of other areas.

1440 And certainly, we need to make sure, if we are bringing
1441 artificial intelligence to bear, we have got to have good
1442 cybersecurity protections there, to make sure that that kind
1443 of technology is not hacked into in ways that are
1444 detrimental.

1445 But we should use all the tools we have on the
1446 reliability front.

1447 *Mr. McNerney. Thank you.

1448 Chairman Glick, many cities in California are working to
1449 reduce their reliance on natural gas to meet state climate
1450 goals, and to move away from price volatility and

1451 intermittency exacerbated by climate change. That was
1452 demonstrated last year in Texas's winter storm.

1453 Does climate change and the associated extreme weather
1454 events pose a risk to the reliable delivery of energy
1455 products like oil and natural gas? Please answer with a yes
1456 or no.

1457 *Mr. Glick. Yes, Senator -- I mean Congressman.

1458 *Mr. McNerney. I will take the promotion, maybe.

1459 *Mr. Glick. Take the promotion.

1460 *Mr. McNerney. Anyway, how has NERC, which serves a
1461 function similar to the proposed Energy Product Reliability
1462 Organization, respond to increasing climate threats and
1463 setting standards for the bulk power systems? Have they done
1464 enough?

1465 *Mr. Glick. So, Congressman, I appreciate the question.
1466 So I think the -- you know, the standards that have been set
1467 at the -- and the electric level, I think, have generally
1468 been pretty good.

1469 But I want to point out an example where I think we
1470 failed a bit, and that is going back to the Texas situation,
1471 in the sense that there was a similar cold weather event back
1472 in 2011, and there was a similar report done. And the report
1473 recommended that there be standards for weatherizing

1474 generation facilities. And unfortunately, those -- that
1475 recommendation got watered down into some sort of guidance,
1476 and the guidance wasn't, essentially, followed, because, you
1477 know, generation is a very competitive business, and some
1478 electric generators didn't want to make the investments if
1479 their competitors weren't going to make the investments.

1480 So I do think that is where it is a good example of
1481 where mandatory standards are absolutely necessary,
1482 essentially, to require everyone to engage in that -- those
1483 type of investments. If we had done that back in 2011, we
1484 probably wouldn't have had the disaster that occurred last
1485 February in Texas.

1486 *Mr. McNerney. So national mandatory standards, I take
1487 it. But thank you, and I yield back.

1488 [Audio malfunction.]

1489 *Mr. Rush. -- now recognizes my dear friend from the
1490 great state of West Virginia. And I emphasize my dear
1491 friend.

1492 Mr. McKinley, you are recognized for five minutes.

1493 *Mr. McKinley. Mr. Chairman, thank you, and
1494 congratulations to both you and Paulette coming through. You
1495 defeated COVID over the holidays.

1496 But as for your decision not to return next year, your

1497 voice, your passion for so many people across America is
1498 going to be sorely missed.

1499 *Mr. Rush. I share that with you.

1500 *Mr. McKinley. But Mr. Chairman, with all due respect,
1501 however, this bill may be well-intended, but the committee
1502 should be addressing the rising energy costs of today.

1503 According to the EIA, heating bills could increase as
1504 much as 54 percent this winter. And in the Build Back Better
1505 plan, Democrats wanted to add a tax on natural gas that the
1506 national -- the American Gas Association estimated that that
1507 would raise household energy costs by an additional 17
1508 percent on top of it. So fortunately, this bill is dying in
1509 the Senate.

1510 Mr. Chairman, is your party tone deaf? The people
1511 across America are struggling.

1512 According to Help Advisor, last year more than one in
1513 four Americans said they went without basic needs to pay
1514 their energy bill. Why isn't this Energy -- why isn't this
1515 committee considering ways to lower the cost of energy bills?

1516 But this bill fails to address that, and the White House
1517 relentlessly continues this war -- this wage of war on
1518 pipeline development. Just look at the Environmental Justice
1519 Report on page 59. It specifically says it recommends that

1520 no new pipelines in America. They already want to shut down
1521 the Atlantic Coast Pipeline, the Mountain Valley Pipeline,
1522 Line 5 -- we have already talked about those today -- and all
1523 while supporting Russia's Nord Stream 2.

1524 Let's put this in perspective, Mr. Chairman. Last year,
1525 with a new President and your party in the majority, the
1526 committee held only 74 hearings and markups, most of which
1527 were to add more regulations. Contrast that with 2017, when
1528 President Trump's first year in office, and when Republicans
1529 were in the majority. This committee held a 106 hearings and
1530 markups. That is nearly 50 percent more. And our focus is
1531 primarily on transparency, and streamlining permittings, and
1532 removing barriers for job creation.

1533 With that decrease in hearings, it is no wonder that the
1534 public doesn't trust Congress, and their polls will indicate
1535 we are headed in the wrong direction. It is two in three
1536 people say we are headed in the wrong direction. To rebuild
1537 that trust we should be working to reduce energy costs, not
1538 add to it.

1539 So, Chairman Glick, the Natural Gas Act requires FERC to
1540 conduct a public interest review before a pipeline project
1541 can move forward. With a yes or no, do you believe it is in
1542 the public interest to have access to reliable and affordable

1543 supplies of natural gas? It is a yes or no.

1544 *Mr. Glick. Yes.

1545 *Mr. McKinley. Thank you. But now FERC wants to
1546 redefine public interest to include climate change and the
1547 social cost of carbon, which will hinder pipeline
1548 development. Because of that, the pipeline restrictions, New
1549 England currently now imports its natural gas from countries
1550 like Russia because of pipeline restrictions. This -- and we
1551 know the Russian gas is 40 percent dirtier than our American
1552 gas.

1553 Can you define for me why is this in our public
1554 interest, to import gas from Russia rather than use American
1555 gas that also is more affordable?

1556 *Mr. Glick. Thanks for the question, Mr. McKinley. You
1557 know, I wouldn't say I disagree with the premise of the
1558 question. The Commission is enforcing greenhouse gas
1559 emissions regulation on pipeline development or pipeline
1560 considerations. We are required to, under both the law and
1561 by the courts.

1562 And what my point is is that the courts have repeatedly
1563 told us over the last several years that, if we don't engage
1564 in that type of analysis to determine what the impact of
1565 pipelines might -- a proposed pipeline might be on greenhouse

1566 gas emissions on climate change, the courts send the cases
1567 back to us. And that is the problem. We end up creating
1568 more uncertainty, more delay, and less gas production --

1569 *Mr. McKinley. If I could, Mr. Glick, do you think it
1570 sends a message of trust to the American people when they see
1571 a tanker coming from Russia to provide gas to New England?
1572 Is that how we rebuild trust, we rely on foreign nations to
1573 bring this thing in?

1574 *Mr. Glick. I think the gas situation in New England is
1575 complicated, but in large part it is due to the fact that
1576 there isn't -- hasn't been enough demand to bring in new
1577 pipeline development.

1578 But I want to point out, not that it is much better, but
1579 the gas, the natural gas that is supplied by LNG into New
1580 England is primarily from Africa, and not from Russia.

1581 *Mr. McKinley. Mr. Chairman, I have run out of time, so
1582 I yield back.

1583 *Mr. Rush. The gentleman yields back. The chair now
1584 recognizes the distinguished chairman of the Subcommittee on
1585 Environment, the gentleman from New York, Mr. Tonko, for five
1586 minutes.

1587 [Pause.]

1588 *Mr. Rush. Mr. Tonko is recognized.

1589 [Pause.]

1590 *Mr. Rush. Mr. Tonko is not -- Mr. Tonko is recognized.

1591 The chair now recognizes the gentleman from Texas, Mr.

1592 Veasey, for five minutes.

1593 Mr. Veasey?

1594 [No response.]

1595 *Mr. Rush. The chair now recognizes the gentleman from

1596 -- Mr. Johnson from Ohio.

1597 *Mr. Johnson. Thank you, Mr. Chairman. You know, it is

1598 a bit ironic that today we are now finally hearing -- having

1599 a hearing on protecting our nation's pipeline infrastructure,

1600 because my Democrat colleagues have spent over a year now

1601 conducting an all-out assault on reliable and affordable

1602 fossil fuels, and the infrastructure needed to transport

1603 these vital resources to market.

1604 But --

1605 *Voice. No.

1606 [Pause.]

1607 *Mr. Johnson. But this hypocrisy is nothing new. Let

1608 me take you back to May of 2021, the Colonial Pipeline, which

1609 supplies nearly half the fuel consumed on the East Coast. As

1610 we all remember, it suffered a major cyber attack. And

1611 Secretary Granholm, from the White House podium, admitted

1612 that, when it comes to moving America's fuel, she said, and I
1613 quote, "pipe is the best way to go."

1614 Mr. Turk, do you agree with Secretary Granholm? Is pipe
1615 the best way to go?

1616 *Mr. Turk. So thank you, Congressman, for the question.
1617 As I referenced earlier --

1618 *Mr. Johnson. No, it is a yes-or-no answer, Mr. Turk.
1619 Do you agree with Secretary Granholm? I don't need an
1620 elaboration. It is a yes or a no.

1621 *Mr. Turk. So yes, there are --

1622 *Mr. Johnson. Okay, thank you. All right, then. Well,
1623 I don't know about you, Mr. Deputy Secretary, but I do agree
1624 that pipe is the best way to go.

1625 With the litany of anti-pipeline actions from this
1626 Administration, it makes you wonder who is really responsible
1627 for American energy security, because President Biden sure
1628 isn't listening to his energy secretary or to people like
1629 you, Mr. Turk, that think pipe is also the best way to go.

1630 I mean, we all know about the Administration's actions
1631 against the Keystone XL pipeline. And then, the Enbridge 5
1632 line, which provides energy to Michigan and my home state of
1633 Ohio, considering shutting that down.

1634 But here is another one. Have any of you heard of the

1635 PennEast pipeline: a billion-dollar pipeline to carry
1636 reliable, affordable natural gas from Appalachia to New
1637 Jersey? Our chairman's -- full committee chairman's home
1638 state, by the way.

1639 Last fall, it was canceled, due to massive opposition
1640 from environmentalists and radical, left-wing state
1641 politicians. I wonder. Do my Democrat colleagues really
1642 want to secure our pipelines? Or do they want to just side
1643 with the radical environmentalists, and shut down the
1644 pipelines in favor of weather-dependent renewable energy
1645 sources?

1646 It seems to me that many of our Democratic friends can't
1647 seem to make up their minds.

1648 So Mr. Turk, you were previously the deputy director of
1649 the International Energy Agency. A recent report was
1650 published by that agency that stated we need to move an
1651 energy economy, quote -- we need to move to an energy
1652 economy, and I quote, "dominated by renewables like solar and
1653 wind instead of fossil fuels.'" Do you agree with that, that
1654 we should move to an energy economy dominated by renewables
1655 like solar and wind, instead of fossil fuels?

1656 *Mr. Turk. So I think we need to do two things
1657 simultaneously. Given the climate imperative -- and we are

1658 already seeing the risks and damages to climate across our
1659 country --

1660 *Mr. Johnson. I don't want to debate climate change,
1661 Mr. Turk.

1662 *Mr. Turk. Well --

1663 *Mr. Johnson. I asked you a simple question. Do you
1664 agree with that agency's statement, that we should move to an
1665 energy economy dominated by renewables like wind and solar?

1666 *Mr. Turk. Because of these climate impacts, we need to
1667 move very aggressively in a diverse way with a variety of
1668 clean energy resources.

1669 *Mr. Johnson. So you agree --

1670 *Mr. Turk. Wind, solar, hydrogen --

1671 *Mr. Johnson. You agree with Secretary Granholm that we
1672 should protect what we have, and diversify, right?

1673 *Mr. Turk. Well, that is the second part of the answer
1674 I was going to say. As we move to this diverse, robust,
1675 clean-energy future, we need to make sure energy is --
1676 existing energy is reliable, secure.

1677 *Mr. Johnson. But how do we --

1678 *Mr. Turk. -- protect our American citizens --

1679 *Mr. Johnson. How do we make sure that the energy is
1680 reliable and secure, when the efforts to shut down the very

1681 pipelines that take that energy to market are being
1682 throttled? How do we do that? How do you account for the
1683 Administration's protection of where we are today? Because
1684 that is not happening.

1685 *Mr. Turk. So just to be clear, the challenges we are
1686 seeing across the country on affordability right now, whether
1687 it is on the oil side or the natural gas side, are largely
1688 stemming from the pandemic, and supply and demand being out
1689 of whack.

1690 *Mr. Johnson. I mean, these pipelines, some of these
1691 pipelines, have been running since 1953. The consideration
1692 to close down the Enbridge 5, since 1953 it has been running.
1693 The XL pipeline has been in construction for years, had
1694 nothing to do with the pandemic.

1695 *Mr. Turk. But that is not the issue that is causing
1696 the current affordability challenges we are seeing across the
1697 country. Right now we do not have enough supply matching up
1698 with the demand, as our economy is roaring back, and the U.S.
1699 economy is doing quite well right now. And we don't have
1700 enough supply on the oil side to match up to that. That is
1701 why we are doing the kinds of things we are doing with the
1702 Strategic Petroleum Reserve to try to bridge that time
1703 period, as our domestic producers get more and more market --

1704 more and more product on the market.

1705 *Mr. Johnson. Mr. Chairman, we should be doing
1706 everything we can to increase production and use of our own
1707 resources here in America, and that is not what this
1708 Administration is doing. That is what would bring down the
1709 price of gas at the pumps, and lower the cost of groceries on
1710 the shelves.

1711 With that, Mr. Chairman, I yield back.

1712 *Mr. Rush. The gentleman yields back. The chair now
1713 recognizes the gentlelady from Washington State, Ms. Schrier,
1714 for five minutes.

1715 *Ms. Schrier. Well, thank you, Mr. Chairman, and thank
1716 you for your years of service to this country. And thank you
1717 to both of our experts for being here for today's discussion
1718 about how we can safeguard our energy systems from a whole
1719 gamut of threats, everything from weather to cyber terrorism.

1720 I have two questions, one for each of you, and I will
1721 direct the first to Deputy Secretary Turk.

1722 As you know, hydropower is a reliable and inexpensive
1723 form of clean energy, and my state, Washington, is the hydro
1724 capital of the country. The Infrastructure Investment and
1725 Jobs Act provided a much-needed investment in our hydro
1726 industry, and I was, therefore, really proud to support that

1727 legislation.

1728 Now, with the impacts of climate change and droughts
1729 occurring in Western states in the past year, at least one
1730 hydro generation facility was actually taken offline. So
1731 greater investments in our facilities to increase resiliency
1732 is critical toward ensuring that we can continue to rely on
1733 hydropower as we transition to clean and renewable sources.

1734 What additional measures is the Administration taking to
1735 address these challenges in potential years of lower flow to
1736 make sure we can still rely on hydropower?

1737 *Mr. Turk. Well, thank you, Congresswoman, for the
1738 question, and your focus -- rightfully so, in my opinion --
1739 on hydropower. It is such an incredibly important part of
1740 our clean energy generation. Currently -- and we feel that
1741 hydropower needs to play an even more important role, going
1742 forward.

1743 And so, whether it is the funding provided in the
1744 bipartisan infrastructure legislation -- and thank you for
1745 your leadership on that, and others -- or all the other
1746 efforts we are doing on hydropower to make sure we retain the
1747 existing hydropower that we have, look at additional ways to
1748 bring additional hydropower generation where it makes sense
1749 throughout, and using hydro for storage and to balance with

1750 other renewables like solar and wind as well. So we are
1751 spending an awful lot of time and attention, rightfully, on
1752 hydropower.

1753 And we also need to, just as you said, take into account
1754 climate change's impact on snowpack and other hydro
1755 resources, and make sure we are prepared to deal with that,
1756 as well.

1757 *Ms. Schrier. Thank you. Thank you for also mentioning
1758 -- as a great method of storing energy. And I think that
1759 Representative McMorris Rodgers and I agree that adding power
1760 generation to dams that are already in existence is another
1761 way to increase our use.

1762 Chairman Glick, when extreme weather causes gas
1763 production to drop, as it did again in Texas three weeks ago,
1764 generators are left scrambling at the last moment to find
1765 alternative sources of supply, often passing the costs onto
1766 ratepayers. My question is whether you agree that electric
1767 generators would benefit from increased visibility into gas
1768 market conditions, where it is, where they can get it, and
1769 whether Chairman Rush's proposed legislation could help
1770 ameliorate what is a significant vulnerability in our current
1771 gas supply system.

1772 *Mr. Glick. Thank you for the question, Ms. Schrier. I

1773 think, certainly, increased transparency in the natural gas
1774 market would certainly benefit electric generators, would
1775 benefit consumers, would benefit a lot of folks, just to have
1776 a better sense of what is going on there, out there in the
1777 market.

1778 And as you mentioned, sometimes electric generators are
1779 forced to go out there and scramble for fuel supply when fuel
1780 supply gets tight. So it certainly would have significant
1781 advantages to the extent there is better transparency.

1782 I don't believe that the legislation before us, which is
1783 primarily focused on reliability, and ensuring that pipeline
1784 companies are more reliable, would provide much in terms of
1785 transparency. But I would say that, to the extent that we
1786 ensure that these pipeline systems are more reliable,
1787 especially on the natural gas pipeline system, electric
1788 generators will be more confident that they will be able to
1789 access the fuel that they need to keep the electric
1790 generation going during times of extreme weather.

1791 *Ms. Schrier. Great. I am -- thank you. Thank you for
1792 that clarification.

1793 And then lastly, our system in Washington State, we
1794 depend on the Canadian natural gas supply chain. How do you
1795 see international connections being included in sharing gas

1796 market conditions, but also in these measures for
1797 cybersecurity?

1798 *Mr. Glick. So, Ms. Schrier, I can compare it to our
1799 electricity standards. So our electricity reliability
1800 standard process is set by NERC, which not only operates in
1801 the United States, but also in Canada and a small part of
1802 Mexico, where -- that is connected to the rest of the
1803 electric grid. And so the standards that are applied there
1804 have to go through a review by the Canadian Government, for
1805 instance, but they are similar in most cases, the same exact
1806 standards that apply here, in the United States.

1807 And there is a provision in the bill before us, H.R.
1808 6084, which says that this electric -- the EPRO, the pipeline
1809 reliability organization, would have to try to make efforts
1810 to have -- to get similar notification and recognition in
1811 Canada, as well as the United States.

1812 *Ms. Schrier. Thank you very much. I yield back.

1813 *Mr. Rush. The gentlelady yields back. The chair now
1814 recognizes the gentleman from --

1815 [Audio malfunction.]

1816 *Mr. Griffith. Thank you very much, Mr. Chairman. I am
1817 pleased to have two Administration witnesses here today amid
1818 surging energy prices that are eating into families' budgets

1819 across the country. It is important that this committee
1820 exercise oversight into the policies that are sacrificing our
1821 energy security and affordability.

1822 I am disappointed that the Oversight and Investigation
1823 Subcommittee has not been allowed to hold a single hearing to
1824 examine how the Administration's policies may have played a
1825 role in the energy crisis. In fact, the Oversight and
1826 Investigation Subcommittee hasn't been allowed to hold a
1827 hearing from September 29th of last year until tomorrow's
1828 hearing on cleaning up cryptocurrency, the energy impacts of
1829 blockchain.

1830 Okay, shifting gears, Deputy Secretary Turk, in your
1831 written testimony you mentioned devastating impacts of
1832 disruption through multiple events. You cite cyber threats,
1833 important; supply chain risks in critical hardware,
1834 important; and in software, important. You mentioned
1835 incidents like the February 2021 winter storms and the May
1836 2021 Colonial Pipeline incident. In testimony here today we
1837 have heard about hydropower just now, and climate impacts,
1838 and how they should be looked at, and so forth, and that is
1839 important.

1840 Have you had numerous briefings with the Federal -- with
1841 Federal -- other Federal agencies and industry on these

1842 issues, as you imply on page one of your written statement,
1843 yes or no?

1844 *Mr. Turk. Yes, absolutely.

1845 *Mr. Griffith. And can you give me an estimate of how
1846 many such briefings have occurred? Five, ten, dozens?

1847 *Mr. Turk. So myself, I spend time on these issues on a
1848 daily basis with interagency colleagues, with industry
1849 colleagues. I don't know what number I -- with other
1850 colleagues at DoE, it is hourly --

1851 *Mr. Griffith. So dozens. Yes, so dozens with other
1852 agencies, states, and industry.

1853 *Mr. Turk. Well, absolutely, focused on affordability,
1854 focused on reliability, all the issues that you referenced.

1855 *Mr. Griffith. How many briefings have you participated
1856 in with other Federal agencies, states, or industry on
1857 cleaning up cryptocurrency, the energy impacts of blockchain?
1858 We couldn't get an answer this morning from your agency.

1859 *Mr. Turk. So that is an issue I have personally spent
1860 some time on, including when I worked at the International
1861 Energy Agency.

1862 *Mr. Griffith. Yes.

1863 *Mr. Turk. And looking not only at the impacts of
1864 blockchain and digital impacts today, but looking into the

1865 future. And I know folks at the Department of Energy --

1866 *Mr. Griffith. But it would be fair -- yes. But it
1867 would be fair to say that you focused more on the issues that
1868 you put in your written statement, and what you have talked
1869 about here today, such as cybersecurity. Wouldn't that be
1870 fair, that you focus more on cybersecurity and problems with
1871 the supply chains, and the issues that you put in your
1872 written statement that you have testified to previously
1873 today? Wouldn't that be a fair statement, yes or no?

1874 *Mr. Turk. Sir, it is a big agency. We work on all of
1875 these things.

1876 Personally, I have probably spent more time on
1877 cybersecurity, more time on affordability --

1878 *Mr. Griffith. Have you --

1879 *Mr. Turk. -- side.

1880 *Mr. Griffith. Have you talked about those issues in
1881 the last four months? And you have spent more time on
1882 cybersecurity and so forth. Have you talked about those
1883 issues in the last four months?

1884 *Mr. Turk. So I have. It is an issue that we are
1885 focused on.

1886 *Mr. Griffith. Yes. So, you know, from the actions
1887 that you have told me about -- and I appreciate that -- it

1888 seems to me that perhaps, just maybe, just maybe, the
1889 Oversight and Investigation Subcommittee of Energy and
1890 Commerce ought to be focusing on some other issues that are
1891 more pressing than the energy use of cybersecurity or --
1892 excuse me, the energy issues related to cryptocurrency in
1893 energy.

1894 We have heard today about Line 5. Mr. Johnson just
1895 brought up another one. We heard about a hydro. Members are
1896 bringing up all kinds of issues, the causes for the cost
1897 increases. You were about to get into a debate on that with
1898 Mr. Johnson. That is all fine.

1899 But the Oversight and Investigation Subcommittee, which
1900 has not met for almost four months, also has jurisdiction
1901 over health care. So issues like nursing shortages,
1902 broadband, the Internet, manufacturing, and, of course, not
1903 only for energy, but for all kinds of sectors, including why
1904 does the House have masks made from China, when we could get
1905 those made in the United States of America -- that this is
1906 what the House provided us, maybe that is what Oversight and
1907 Investigations ought to be doing.

1908 I know you can't answer that question, Mr. Turk, but I
1909 greatly appreciate you being here today. These are important
1910 issues, but I think that the Oversight and Investigation

1911 Subcommittee ought to be freed, and ought to be able to find
1912 its own course. And sometimes I will agree with the
1913 chairwoman and sometimes I won't, but that is an important
1914 subcommittee that is not being used currently by leadership.
1915 It is a shame, and it is a waste.

1916 I want to talk about -- and I will probably send you
1917 some questions later -- about parity between fossil fuels and
1918 renewables, because I think it is important, as we see China
1919 and India both increasing substantially there, and the
1920 European Union substantially increasing their use of coal.
1921 We need to find new technologies to make it better. We can
1922 do it. This is the United States of America. We can make it
1923 happen.

1924 I appreciate your time, and I yield back.

1925 *Mr. Rush. The gentleman yields back. The chair of the
1926 Oversight Committee is on the screen, but now the chair
1927 recognizes the gentleman from New York, Mr. Tonko, the
1928 chairman of the committee -- the Subcommittee on Environment,
1929 for five minutes.

1930 *Mr. Tonko. Thank you. Thank you, Chairman, and thank
1931 you for your great work as subcommittee chair on energy.

1932 So, Chairman Glick, welcome. I know you and FERC must
1933 frequently consider the boundaries between Federal and state

1934 responsibilities in our energy system, and I am assuming that
1935 the proposed Energy Product Reliability Organization in
1936 Chairman Rush's bill would require significant Federal
1937 coordination. So can you give us some sense as to how we can
1938 think about these jurisdictional --

1939 *Mr. Glick. Thank you very much for the question, Mr.
1940 Tonko.

1941 I think there are -- again, I want to point to a good
1942 example, which is, again, the way we handle electricity
1943 reliability, the way we -- the legislation from the Energy
1944 Policy Act of 2005 addressed the issues is it gave FERC and
1945 NERC the authority over the reliability of the bulk power
1946 system, you know, the long-distance transmission lines, the
1947 big generation facilities, and so on, and it gave the states
1948 jurisdiction over -- or essentially, left to the states
1949 jurisdiction over the reliability of the distribution system.
1950 And I think that is the way we are going to have to think
1951 about that on a going-forward basis.

1952 The states have a significant role to play with regard
1953 to the LDCs, the local distribution companies that provide
1954 natural gas to homes and businesses and so on, in factories.
1955 And I think if they -- they need to play a very significant
1956 role in ensuring that those pipelines, the pipelines that get

1957 to the end of the system, so to speak, that those are also
1958 reliable. And so I think that they -- it is an issue that
1959 FERC and the states need to coordinate on, just like we do on
1960 electricity reliability.

1961 *Mr. Tonko. And basically, the responsibilities of the
1962 Federal Government, or perhaps this NERC-like organization?

1963 *Mr. Glick. So I think it is the responsibility of the
1964 Federal Government. The way the legislation is currently
1965 drafted, H.R. 6084, it doesn't make a distinction between the
1966 local distribution and the -- essentially, the interstate
1967 grid of natural gas pipelines. It is something that I would
1968 recommend that the Commission -- that the committee take a
1969 look at as it proceeds through the legislative process.

1970 *Mr. Tonko. Thank you. And if NERC partially serves as
1971 a model for this proposal, how has NERC been able to overcome
1972 some of the Federal-state coordination and jurisdictional
1973 issues that exist in the electricity system?

1974 *Mr. Glick. Well, I think NERC works very closely with
1975 a series of regional reliability organizations that are
1976 spread out throughout the country that are more focused on
1977 some of the local reliability issues. And I think NERC also
1978 plays a very big role in coordinating with NARUC which is the
1979 association of state utility commissions, and the individual

1980 state commissions, as well. I know that, in fact, they spend
1981 a lot of time talking with them, making sure their
1982 jurisdictions -- that they are working together on the same
1983 issues.

1984 *Mr. Tonko. Thank you. And even with this legislation,
1985 do you believe there will still be an important role for
1986 energy security planning and emergency preparedness by the
1987 states?

1988 *Mr. Glick. Absolutely. Yes. We mentioned earlier
1989 there is three million miles of pipes around the country, and
1990 I think the Federal Government, through the -- through this
1991 process established by this legislation, will address some of
1992 the bigger issues. But I think a lot of the local-level
1993 issues are issues that are already within the jurisdiction of
1994 state utility commissions, such as ensuring that the local
1995 pipelines are operating reliably, they are providing reliable
1996 gas service to homes, for instance, for heating, and so on.

1997 *Mr. Tonko. Thank you.

1998 And Secretary Turk, welcome. The Department's
1999 cybersecurity efforts have required significant public-
2000 private coordination. But is there anything you can tell us
2001 about the need to improve coordination between Federal and
2002 state partners on these reliability and cyber issues?

2003 *Mr. Turk. I think, Congressman, it is an excellent
2004 question, and right to focus on those issues of coordination
2005 -- public, private, and Federal, and state, and local, as
2006 well. And we spend an awful lot of time -- our CESER team,
2007 in particular -- working hand in hand with FERC, working hand
2008 in hand with others in the interagency, but working hand in
2009 hand with state and locals, and making sure that we have got
2010 a full plan in place to provide the reliability in the
2011 cybersecurity. Everyone needs to be on board here.

2012 *Mr. Tonko. Right, thank you. And Secretary, I want to
2013 commend DoE for the Building a Better Grid Initiative. This
2014 focus on our nation's transmission system is critical to
2015 achieving reliable, resilient, and clean electricity across
2016 the country.

2017 But if our modern and reliable transmission system is
2018 very dependent on generation that may have unreliable
2019 delivery infrastructure, the whole system could crumble. So
2020 how do you see pipeline reliability and cybersecurity
2021 standards complementing the Department's broader goals of
2022 building a more modern and resilient electricity system?

2023 *Mr. Turk. So first of all, let me thank you,
2024 Congressman, and others who supported the bipartisan
2025 infrastructure legislation, which gave us \$16 billion at the

2026 Department of Energy to work further on electricity
2027 resilience. That is a historic level of funding and support
2028 that we plan on using very effectively to promote the
2029 reliability of the security, the resilience, more generally.

2030 Electricity is certainly tied, hand in hand, with
2031 natural gas and with other parts of the energy system, and we
2032 need to be thinking of cybersecurity and reliability and
2033 resilience all together, and throughout the value chains, and
2034 throughout multiple value chains, as well. So just as the
2035 FERC and NERC model has worked well for electricity, we need
2036 to have mandatory standards, from the Department of Energy
2037 perspective, for other parts of our energy spectrum.

2038 Thank you to TSA for stepping up and having some
2039 mandatory standards put in place for pipelines. But we also
2040 think other parts of that value chain need standards, need
2041 Federal standards, national standards, including refineries
2042 and other parts of that value chain, as well, again, having a
2043 coherent system in place so that we can do what we need to
2044 do.

2045 *Mr. Tonko. Thank you so much.

2046 And with that, Mr. Chair, I yield back.

2047 *Mr. Rush. The gentleman yields back. The chair now
2048 recognizes the gentleman from Indiana, Mr. Bucshon, for five

2049 minutes.

2050 *Mr. Bucshon. Thank you, Mr. Chairman.

2051 First, I would like to say thank you for your service to
2052 your country. And in your retirement I hope you continue to
2053 promote the policies and the things that you have been doing
2054 on behalf of your constituents in the Chicagoland area.

2055 So --

2056 *Mr. Rush. Thank you so much.

2057 *Mr. Bucshon. -- thank you.

2058 Thank you, Deputy Secretary Turk and Chairman Glick, for
2059 being here today.

2060 Well, here we are in 2022. Americans around the country
2061 are still facing the consequences of the dreadful state of
2062 American energy under this Administration. This month my
2063 constituents in Indiana are paying gas prices that are nearly
2064 40 percent higher than last year. Winter is underway, and
2065 Hoosiers are having to devote more of their paychecks to pay
2066 their energy bills, and forgo other basic household
2067 necessities like food and medicine.

2068 Stunning levels of inflation that have hampered the
2069 American economy for the last several months, and are
2070 ongoing, and are not short term, are causing and exacerbating
2071 the effects of these high energy prices. Unfortunately, the

2072 Biden Administration has not effectively addressed this
2073 fundamental problem impacting millions of Americans.

2074 This committee should be conducting oversight of the
2075 Administration, and working with the Department of Energy to
2076 address this inflation and rising fuel prices. However, as
2077 evidenced by the bill we are discussing today, the majority
2078 appears to be more interested in finding ways to expand the
2079 Federal Government's regulatory footprint in the U.S. energy
2080 sector, rather than resolving key problems impacting ordinary
2081 Americans.

2082 Therefore, I am disappointed that the rising energy
2083 costs and inflation are not the central topic of today's
2084 hearing. Deputy Secretary Turk, I just have one question,
2085 which is a little out of the direction I was headed here, but
2086 I would like to know, as it relates to LNG and crude oil
2087 exports, yes or no, is an export ban on the table as a way to
2088 -- unfortunately, it won't address energy costs here, but I
2089 guess the Administration thinks maybe it will.

2090 *Mr. Turk. So an export ban, either on the LNG side or
2091 on the oil side, is not something we are currently discussing
2092 and under consideration.

2093 *Mr. Bucshon. Great, thank you for that answer.

2094 I mean, I am concerned the Administration's -- about the

2095 Administration's mismanagement of the Strategic Petroleum
2096 Reserve, in my view, in response to energy prices. The SPR
2097 is intended as a safeguard to protect U.S. energy from the
2098 effects of a natural disaster or other major disruptions in
2099 the energy market, not as a tool to influence domestic fuel
2100 prices.

2101 Going back to the Obama Administration, we directed DoE
2102 to conduct a long-term strategic review of the SPR. We also
2103 authorized a series of drawdowns to "right-size the SPR,"
2104 and provide funding for a life extension and modernization
2105 program.

2106 Deputy Secretary Turk, I am concerned the Administration
2107 is attempting to circumvent Congress and the statutory
2108 limitations under the Energy Policy and Conservation Act
2109 designed to protect the SPR from political manipulation. A
2110 yes-or-no: by law, the President must make an emergency
2111 declaration to determine that a severe energy supply
2112 interruption exists before authorizing an SPR drawdown, is
2113 that correct?

2114 *Mr. Turk. So there are a number of ways you can -- we
2115 can use the Strategic Petroleum Reserve. And in the case of
2116 the 50 million barrels that was announced and we are
2117 deploying right now, there was not an emergency designation.

2118 That was not one of the authorities that we used.

2119 For the 50 million barrels, what we did, 18 million
2120 barrels of that was a congressionally-mandated sale that we
2121 moved up the timing of that, all perfectly consistent with
2122 congressional authorization. And then the other 32 million
2123 barrels was done -- what is called an exchange. And we used
2124 that mechanism for the particular moment in time because our
2125 economy is heated up, but our supply of oil has not matched
2126 that. That is why we have the pressures, and that is why the
2127 price has gone up, including what consumers pay at the pump.

2128 *Mr. Bucshon. Okay. So why didn't --

2129 *Mr. Turk. This tool is meant to be particularly suited
2130 for this backwardation we currently have in the market, in
2131 order to round that off, and to make sure we get more product
2132 into the market now, when consumers need those -- that price
2133 reduction.

2134 *Mr. Bucshon. Fair enough. I mean, I think you did it
2135 before Thanksgiving because his polling numbers were down,
2136 and the American people were mad that their energy prices
2137 were going up. And honestly, based on your answer, 99.9
2138 percent of the American people wouldn't be able to decipher
2139 the reason why he did it.

2140 So why didn't he make a finding of a severe energy

2141 interruption? Is it because other International Energy
2142 Agency members in Europe refused to authorize a collective
2143 drawdown of their reserves?

2144 *Mr. Turk. So we spent months and months looking at the
2145 available tools that we had on this, and we came forward with
2146 what I think is an incredibly well-put-together plan for that
2147 particular moment in time that we faced, and we had a
2148 significant backwardation in the market.

2149 We do so again, now that the prices have gone back up.
2150 When that supply from the U.S., from Canada, from Brazil, and
2151 from some other countries in OPEC Plus match up with that
2152 demand, the prices will go down. That is what our EIA
2153 experts and others are predicting in 2022.

2154 But we have a peak of the curve, if you want to think
2155 about it this way. And the exchange mechanism, in
2156 particular, helps shave that peak off, protecting consumers
2157 from --

2158 *Mr. Bucshon. Fair enough --

2159 *Mr. Turk. -- more supply.

2160 *Mr. Bucshon. Fair enough. I mean, I think it was used
2161 to get around Congress, personally, but fair enough.

2162 I yield back.

2163 *Mr. Rush. The gentleman yields back. The chair now

2164 recognizes the very capable and effective chairman of the
2165 Subcommittee on Oversight and Investigation, Ms. DeGette, for
2166 five minutes.

2167 *Ms. DeGette. Thank you so much, Mr. Chairman, and I
2168 want to pile on my thanks for your years of service to this
2169 committee and the Congress, and also your years of personal
2170 friendship to me. It means a lot.

2171 *Mr. Rush. Thank you.

2172 *Ms. DeGette. I also want to thank the ranking member
2173 of the Oversight and -- Oversight Subcommittee for already
2174 preparing in advance for our wonderful hearing on energy use
2175 in cybersecurity and cyber issues tomorrow.

2176 And I also want to say that I would have a hearing in
2177 Oversight and Investigation every week. Under the pandemic,
2178 only one of our two committee rooms is wired for the ability
2179 to do Webex and in-person at the same time. And I have been
2180 asking the chairman if we could get both of our committee
2181 hearing rooms up and running, so that we can have a robust
2182 number of hearings. And so -- but I just want to say, Mr.
2183 Griffith and all of the rest of my Democratic and Republican
2184 members of Oversight and Investigation, get ready for a very
2185 robust year, starting with our cyber currency hearing
2186 tomorrow.

2187 I want to ask -- I have a number of questions, but,
2188 Chairman Glick, I want to ask you. Several of my colleagues
2189 on the other side of the aisle have, unfortunately, implied
2190 that it is the Administration's policy to get natural gas
2191 from China and Russia. I would like you to, if you can, talk
2192 just for a brief moment about what the Administration's
2193 policy is, in terms of importing natural gas from foreign
2194 sources.

2195 *Mr. Glick. Thank you for the question, Ms. DeGette.

2196 So FERC is an independent agency, and so I can't speak
2197 for what the Administration's position is or not. I will say
2198 that the Commission has, over a number of years, approved a
2199 large number of proposed LNG export facilities. And our job
2200 is to make sure that the facilities are, essentially,
2201 operated safely, and that when they are constructed, that
2202 they are constructed safely and they don't have an adverse
2203 impact on the environment.

2204 And so I think the -- we have seen the demand. The
2205 companies are coming in, asking for --

2206 *Ms. DeGette. Sir, you are not answering my question,
2207 so I am going to move on, because I have some other
2208 questions.

2209 I want to ask you, during Storm Uri, many utilities and

2210 independent power producers, including those in Colorado,
2211 were forced to pay exorbitant national -- natural gas prices
2212 on the stock market --

2213 [Audio malfunction.]

2214 *Ms. DeGette. -- gas suppliers did not fulfill their
2215 firm contracts.

2216 So I want to ask you if Chairman Rush's legislation can
2217 protect ratepayers from similar costs in the future.

2218 *Mr. Glick. Yes, thank you, Ms. DeGette, and it is a
2219 great question, because that is exactly -- I think that is
2220 the reason we are here today. We are talking about energy
2221 prices.

2222 *Ms. DeGette. Answer the question, sir.

2223 *Mr. Glick. We need to also talk about what happens to
2224 the energy prices when pipelines are not -- no longer
2225 reliable. And we saw what happened with regard to the
2226 natural gas system in Texas. Not only did that bring down
2227 electricity, and it obviously caused blackouts, caused
2228 enormous amounts of cost for consumers, it also raised
2229 natural gas prices in the entire region. And consumers in
2230 Colorado, consumers in Kansas, consumers in Oklahoma and
2231 elsewhere had to pay for that, and they are still paying for
2232 that, exorbitant rates, in large part because the supply-and-

2233 demand system was out of whack. There wasn't enough natural
2234 gas to go around.

2235 And so I think that is one of the benefits of this
2236 legislation. We promote a more reliable natural gas system.
2237 Not only do we reduce cost on the electric grid, you are --
2238 also reduce costs on the natural gas -- for natural gas
2239 consumers, as well.

2240 *Ms. DeGette. Thank you. Now, you identified in your
2241 testimony four features of Chairman Rush's bill that will
2242 help address the risks posed by our current lack of gas
2243 reliability standards, and one of those features is the
2244 ability to issue emergency energy production standards,
2245 reliability standards --

2246 [Audio malfunction.]

2247 *Ms. DeGette. Now, can you tell us why --

2248 [Audio malfunction.]

2249 *Ms. DeGette. -- is essential? And do you think the
2250 Federal Power Act should be amended to give the Commission
2251 the ability to issue emergency electric reliability
2252 standards?

2253 *Mr. Glick. I do believe so. The current approach on
2254 the electric reliability side isn't always nimble enough to
2255 address emergencies, and the Department of Energy has,

2256 certainly, emergency authority under certain circumstances.
2257 But I think FERC should actually have the authority, both on
2258 the electric side and the natural gas side, to actually
2259 propose and actually implement emergency reliability
2260 standards when those conditions warrant.

2261 *Ms. DeGette. Okay, that is great.

2262 Deputy Secretary Turk, now I understand that the
2263 Transportation Security Administration and the Cybersecurity
2264 and Infrastructure Security Agency recently issued security
2265 directives aimed at owners and operators of TSA pipelines.
2266 And so I am wondering if --

2267 [Audio malfunction.]

2268 *Ms. DeGette. -- was the Department of Energy involved
2269 in those standards, and any determinations --

2270 [Audio malfunction.]

2271 *Ms. DeGette. And briefly, can you tell me what factors
2272 were considered in those designations?

2273 *Mr. Turk. Thank you. We work hand in hand and provide
2274 our expertise to our full interagency partners, including TSA
2275 and CISA, as well.

2276 And we were very pleased that there are now mandatory
2277 standards on the books for pipelines that TSA has put out.
2278 As Chairman Glick has said, though, that is a one-year

2279 emergency designation. We are going to have cybersecurity
2280 issues for more than a year, and we need to have that longer-
2281 term piece.

2282 And we also need to have standards, from our opinion, on
2283 refinery and other parts of the value chain, as well.

2284 *Ms. DeGette. Thank you so much. Thanks to both of our
2285 panelists.

2286 And again, thank you, Mr. Chairman, for your service.

2287 *Mr. Rush. The gentlelady yields back. The chair now
2288 recognizes Mr. Walberg for five minutes.

2289 *Mr. Walberg. Thank you, Mr. Chairman, and I wish you
2290 all the best. You have got a year left to work here. We are
2291 glad we will have the chance to work with you, and look
2292 forward to seeing you here. However, as you know, I was born
2293 and spent the first six years of my life in your district, so
2294 I can find you. I know where you are at.

2295 To review, on his first day in office President Biden
2296 issued an executive order revoking the cross-border permit
2297 for the Keystone XL pipeline. The Keystone XL pipeline would
2298 have created tens of thousands of jobs, and ensured a stable
2299 supply of nearly 800,000 barrels per day of crude oil from
2300 our closest ally and trading partner, Canada, my neighbor.
2301 If President Biden had not revoked the permit, the Keystone

2302 Pipeline would allow the U.S. to produce more gasoline and
2303 diesel, which would help us reduce imports from the Middle
2304 East, and Russia, and Africa.

2305 Unbelievably, especially in light of the fact that
2306 Secretary Granholm is a former governor of Michigan, the
2307 Administration is also considering closing down Michigan's
2308 Line 5 pipeline, which delivers the majority of Michigan and
2309 the region's propane and other essential fuels for heating,
2310 agriculture, and manufacturing.

2311 Political whims should not decide whether Michiganders
2312 can heat their homes or not, so I have introduced the
2313 Protecting International Pipelines for Energy Security,
2314 PIPES, Act, which would prevent President Biden from
2315 punitively shutting down existing energy pipelines, like Line
2316 5, without congressional approval.

2317 Deputy Secretary Turk, welcome. Thank you for being
2318 here. Do you support the construction of pipelines from
2319 Canada to increase the domestic supply of oil and refined
2320 products, yes or no?

2321 *Mr. Turk. So just to be clear, on Line 5 we don't have
2322 the authority on that front. And --

2323 *Mr. Walberg. We will talk about that later. I have
2324 heard that statement, and I have some concerns with that.

2325 But yes or no, do you support construction of pipelines
2326 from Canada to increase the domestic supply of oil and
2327 refined products?

2328 *Mr. Turk. Well, one thing, and I think we should be
2329 clear on this. It is not the pipeline issue that has caused
2330 the current affordability challenge that we have --

2331 *Mr. Walberg. I am not asking for that.

2332 *Mr. Turk. -- oil or natural gas --

2333 *Mr. Walberg. Do you support --

2334 *Mr. Turk. -- side of things.

2335 *Mr. Walberg. -- the construction?

2336 *Mr. Turk. So when I would look at any energy
2337 infrastructure, I would look --

2338 *Mr. Walberg. Let me go on to the next question.

2339 *Mr. Turk. -- does it promote security, does it promote
2340 affordability?

2341 *Mr. Walberg. If I am not going to get the answer -- I
2342 only have a certain amount of time.

2343 Did DoE conduct an analysis to evaluate the energy
2344 security impacts of canceling the Keystone XL permit?

2345 *Mr. Turk. So I -- that was before my time. I am sure
2346 there was some analysis. I don't -- I should say I don't
2347 know what analysis was done.

2348 *Mr. Walberg. I am amazed. I am amazed that Secretary
2349 Granholm, having been in front of us before, last year, and
2350 asking questions about the Keystone Pipeline -- Line 5
2351 pipeline, as well, that you weren't prepped to respond to
2352 questions that you knew we would ask, because there is great
2353 concern, because it impacts my district and many other
2354 districts.

2355 Let me ask you this question. Did DoE warn the White
2356 House that canceling the Keystone XL pipeline would lead to
2357 job losses and energy prices increases? Have you heard that?

2358 *Mr. Turk. So I don't have any knowledge of that
2359 analysis, or what --

2360 *Mr. Walberg. That is amazing.

2361 *Mr. Turk. -- analysis would have said.

2362 *Mr. Walberg. What precedent does Keystone XL set for
2363 other cross-border pipelines and electric transmission
2364 facilities?

2365 *Mr. Turk. So again, I don't think the pipeline issue
2366 is the affordability issue that you and other members have
2367 flagged as a primary concern and that we are working on in
2368 this Administration.

2369 We are looking to use whatever tools we have got in the
2370 near term --

2371 *Mr. Walberg. It ain't working.

2372 *Mr. Turk. -- to deal with supply and -- well, we have
2373 4.5 --

2374 *Mr. Walberg. Look at the gas, the price at the pump.
2375 Look at the price on my farm constituents as they are trying
2376 to dry late-season harvest, and the cost of propane.

2377 The Canadians are filing a claim under NAFTA to recover
2378 \$15 billion in economic damages caused by President Biden's
2379 meritless decision to revoke the Keystone XL pipeline permit.
2380 I am concerned that American taxpayers will be forced to pay
2381 this penalty, another casualty of the Biden Administration's
2382 anti-fossil fuel agenda.

2383 In the few seconds that I have left, in your response to
2384 Congressman Latta and also Ranking Member Upton you indicated
2385 that DoE hasn't conducted any analysis to determine the
2386 impact of closing Line 5. If that is the case -- and the
2387 Administration ought to be having, from the Department of
2388 Energy, consultation, advice that deals with energy in this
2389 country -- it amazes me that that is not happening.

2390 And regardless of what you think you have priority or
2391 responsibility for that, the consultation to this
2392 Administration to give them the reality of what energy
2393 resources are needed, and how to get them to our people, and

2394 doing it the safest way possible -- in fact, the way it was
2395 done before January 20th.

2396 With that, I will leave, I will yield back.

2397 *Mr. Rush. The time is up. The chair now recognizes
2398 the gentlelady from the great State of California, Ms.
2399 Matsui, for five minutes.

2400 *Ms. Matsui. Thank you very much, Mr. Chairman. I also
2401 want to say thank you for your many years of service, and I
2402 look forward to working with you the rest of this term, and I
2403 am looking with curiosity as to what your next chapter of
2404 your life will be. And I look forward to working with you
2405 there. I am sure it will be exciting.

2406 *Mr. Rush. Thank you.

2407 *Ms. Matsui. And I want to thank the -- both witnesses
2408 for being with us here today.

2409 Deputy Secretary Turk, your testimony identifies many
2410 ways in which the Department of Energy engages with industry
2411 to address cybersecurity threats. Yes or no, do any of those
2412 programs result in mandatory, enforceable cybersecurity
2413 standards?

2414 *Mr. Turk. So FERC is a part of DoE, an independent
2415 part of DoE, and FERC has responsibility, with NERC, for
2416 electricity bulk power, in terms of the mandatory standards.

2417 And we help FERC, and we help TSA, and we help others on
2418 their mandatory standards.

2419 *Ms. Matsui. Okay. I am looking ahead also to see what
2420 other enforceable cybersecurity standards do we need to
2421 protect critical energy infrastructure?

2422 *Mr. Turk. So I have certainly come to the conclusion,
2423 having dealt with cybersecurity more than I thought I would,
2424 frankly, as deputy secretary of energy, over my first year, a
2425 little less than first year, and I have come to the
2426 conclusion we do need mandatory standards across the board
2427 when it comes to critical infrastructure. It is just too
2428 important.

2429 We can't just rely on every company doing what they
2430 should do, and we need to have some baseline mandatory
2431 standards. So electricity on the FERC and NERC side,
2432 pipelines, refineries throughout the value chains, doing it
2433 in a common-sense way, doing it with an awful lot of
2434 discussion with the private sector, as NERC does, as FERC
2435 does, as we do from the DoE side. But we need to -- we just
2436 need to be prepared. So we absolutely need those mandatory
2437 standards, in my opinion.

2438 *Ms. Matsui. Great, thank you. Looking ahead, I am
2439 excited by the potential for offshore wind development off

2440 California's coast. But it is important for the stakeholders
2441 to have an opportunity to provide input into the development
2442 of this nascent industry. And that is why I was thrilled to
2443 see this Administration announce last week that it would be
2444 investing and building a better and more reliable electric
2445 grid, including for offshore wind.

2446 Deputy Secretary Turk and Chairman Glick, can you speak
2447 to both DoE and FERC's respective role in that initiative?

2448 And how will your agencies use their respective -- or
2449 their experience engaging with stakeholders to ensure that
2450 our government's approach to offshore wind transmission is
2451 collaborative and inclusive?

2452 Secretary -- Deputy Secretary Turk?

2453 *Mr. Turk. Thank you for the question, and thank you
2454 for flagging offshore wind. I think the potential for
2455 offshore wind is huge. We have got a 30 gigawatt target by
2456 2030 in this Administration. I think we should be even
2457 thinking more bold than that, and more -- even more numbers
2458 than that, certainly beyond 2030. The capacity factor for
2459 offshore wind is higher than onshore wind. It balances out a
2460 number of parts to the clean energy generation piece to it.

2461 We are spending an awful lot of time, including in our
2462 national labs, on the innovation and the cost reduction side,

2463 including for floating offshore wind, which would be so
2464 important for California and off our West Coast. And then we
2465 are working with FERC, with others on the transmission side,
2466 just as you rightfully flag. We need to make sure we are
2467 building that infrastructure so that we can bring those
2468 offshore capacities into the fold, and have them be an
2469 incredibly important, reliable, resilient part of our energy
2470 infrastructure.

2471 *Ms. Matsui. Absolutely.

2472 Chairman Glick, would you like to comment?

2473 *Mr. Glick. Yes, thank you very much, Ms. Matsui, and I
2474 appreciate the question.

2475 So we are going to be providing technical assistance to
2476 the Department of Energy, in terms of carrying out its grid
2477 initiative, in particular with issues related to offshore
2478 wind, such as interconnecting offshore wind facilities to the
2479 grid -- vitally important for the development of those
2480 technologies.

2481 Secondly, we actually have our own grid reform
2482 initiative underway, in which we are hoping to establish a
2483 regulatory -- reforming our regulations with regard to
2484 transmission. One of the things we are really focusing on,
2485 what is needed to access this -- what is undoubtedly going to

2486 be a substantial demand, in terms of offshore wind, both in
2487 terms of the East Coast, but also, as you mentioned, off the
2488 West Coast.

2489 And clearly, we are going to need to figure out what is
2490 the most efficient way to build these transmission
2491 facilities. Do you build one transmission facility that
2492 accesses and collects power from a bunch of different
2493 offshore wind facilities, or do you do it on a case-by-case
2494 basis, building a line out to each individual offshore wind
2495 generating farm?

2496 And those are the type of issues we are going to be
2497 dealing with, in terms of our transmission reform initiative.

2498 *Ms. Matsui. Okay. Well, in addition to offshore wind,
2499 what lessons can we take from climate and cybersecurity
2500 incidents in the past year to ensure that the transmission
2501 and deployment of new, clean energy sources is safe and
2502 reliable?

2503 *Mr. Glick. So I think, clearly, if you look at the
2504 situation in Texas with the extreme cold, if you look at the
2505 situation in the West Coast with regard to extreme heat and
2506 wildfires, if you look at -- with regard to the, obviously,
2507 Hurricane Ida that took place, and the devastation that
2508 occurred there, we are going to need to make the electric

2509 grid much more resilient than it currently is to address and
2510 withstand some of these extreme weather conditions. And we
2511 are actually engaged in that.

2512 We have opened up a docket, we have held a technical
2513 conference, which is our version of a congressional hearing,
2514 and we are looking at what initiatives -- working with our
2515 colleagues to consider what initiatives that we can pursue
2516 to, essentially, encourage utilities to make their grid more
2517 resilient towards the -- to extreme weather conditions.

2518 *Ms. Matsui. Okay. Well, thank you very much, and I
2519 yield back.

2520 *Mr. Rush. The gentlelady yields back. The chair now
2521 recognizes the gentleman from South Carolina, Mr. Duncan, for
2522 five minutes.

2523 *Mr. Duncan. Thank you, Mr. Chairman, and welcome back.
2524 I have enjoyed serving with you.

2525 Let me just say this, that the SPR release amounted to a
2526 blip in gasoline and diesel prices. Prices did go up, as Mr.
2527 Turk said, and will continue to go up as demand increases
2528 throughout the winter months. But it will go back down.
2529 They will go down when the weather warms and demand
2530 decreases, at least for a little while, until we get into the
2531 summer vacation travel season. Then demand goes up, and

2532 prices will go up as supplies are used up.

2533 But one thing the Administration did was acknowledge
2534 that these were basic economics of supply and demand. The
2535 way to address this energy crisis is by increasing supply,
2536 not stifling it, which is Democrat policy, stifling energy
2537 production in this country.

2538 Now, the title of this hearing is pipeline reliability,
2539 but Democrats really don't like pipelines. That is obvious.
2540 They shut down the Keystone pipeline, they shut down the
2541 pipeline the gentleman from Michigan talked about. In fact,
2542 they shut down the Atlantic Coast pipeline. There is an
2543 article here that says that Congressional Progressive Caucus
2544 has been successful fighting restrictions of natural gas
2545 production through fracking and blocking natural gas
2546 pipelines, including Atlantic Coast Pipeline. Senator
2547 Sanders celebrated efforts by progressives to cancel the ACP.

2548 Another example of Democrats not liking pipelines is the
2549 fact that there is no pipeline really taking available
2550 natural gas from Marcellus up to New England states. The
2551 lack of a pipeline requires -- because they have a thirst for
2552 energy in New England, and they don't like looking at the
2553 wind turbines off their coastline. They don't want pipelines
2554 because they think that gas might be fracked gas, which they

2555 don't like. So they are going to import gas from Russia and
2556 Africa and other places, import it to the United States. LNG
2557 ships sit in the Boston Harbor, providing dirty Russian gas,
2558 African gas to New England. The thirst is still there for
2559 the energy. The thirst to use natural gas is still there.
2560 They just don't want American gas through a pipeline,
2561 reliable or not, as the title of this hearing is.

2562 Mr. Glick, are you familiar with the letter sent to you
2563 by over 40 Democrats on 5 January 2022?

2564 *Mr. Glick. Yes, I am.

2565 *Mr. Duncan. Okay. I have got the letter here, and it
2566 raises concern with the effect that anticipated increases in
2567 heating and energy costs will have on their constituents this
2568 winter. We are all concerned about costs that -- energy
2569 costs have on our constituents.

2570 Now, I agree with another point of the letter, that
2571 lower-income households face a higher burden when dealing
2572 with increased energy costs. In fact, Republicans have
2573 talked about this for a long time. There are certain sources
2574 of energy that cost more to produce, and that is wind and
2575 solar and other things. So their letter addresses that.

2576 The letter demands FERC investigate whether market
2577 manipulation, rather than an environmental agenda or supply

2578 constraints, is causing natural gas prices to rise over 30
2579 percent on average for consumers last year.

2580 You are not supposed to use the word "hypocrisy" in
2581 Congress. I was told that when I first came here. But this
2582 is very hypocritical, because their same policies of limiting
2583 offshore drilling, ending leases, not wanting to have
2584 hydraulic fracturing, not having pipelines to bring the gas
2585 where the need and demand is, using dirty or burning Russian
2586 gas to heat in the homes and produce electricity, all of that
2587 is hypocritical.

2588 It is also hypocritical to try to say there is market
2589 manipulation when the Administration is shutting down
2590 production in this country, while at the same time promoting
2591 energy sources that cost more to produce, and that cost is
2592 pushed down to the lower-income people that they are talking
2593 about here. Hypocrisy at the -- at its finest.

2594 You know, the Biden Administration has revoked the
2595 permit on Keystone Pipeline, halted all new Federal oil and
2596 gas leases, greenlighting the completion of Russia's Nord
2597 Stream 2 pipeline. Another hypocritical thing.

2598 The same Democrats are concerned with high energy prices
2599 for their constituents, championing blocking our natural gas
2600 pipelines. It is just amazing.

2601 So Mr. Glick, do you agree that pipelines are the safest
2602 method to transport oil and gas?

2603 *Mr. Glick. That -- we are not in the business of
2604 examining safety of natural gas pipeline transportation.

2605 *Mr. Duncan. Well, I do. I will just stop you there.
2606 I get it. We have a bunch of natural gas here in the United
2607 States: Marcellus, Bakken, Barnett, Eagle Ford. I could go
2608 on and on.

2609 I also think their innovation, not over-regulation,
2610 government mandates in the energy sector will continue to
2611 lead the world in oil and gas production, as well as reduce
2612 emissions.

2613 I think Europe is going to find that them being beholden
2614 on Russia for their energy sources, once the Nord Stream 2
2615 adds to the Nord Stream 1 pipeline that brings gas there, and
2616 Vladimir Putin continues to use that as a lever of policy and
2617 political influence, they are going to wish they had U.S. LNG
2618 ships and terminals to offload that in Europe.

2619 Anyway, I am out of time. And with that, Mr. Chairman,
2620 I yield back.

2621 *Mr. Rush. The gentleman yields back. The chair now
2622 recognizes the --

2623 [Audio malfunction.]

2624 *Mr. Rush. -- Mr. Veasey --

2625 *Mr. Veasey. Mr. Chairman, thank you very much, and I
2626 want to thank Chairman Glick and Deputy Secretary Turk for
2627 being here today, too, to answer questions.

2628 Over the past year we have seen many events, including
2629 some tragic ones in my home state of Texas, that really show
2630 the importance of reliable energy. I wrote a letter to FERC
2631 last year, and I support the joint inquiry by FERC and NERC
2632 to investigate operations of the bulk power system during the
2633 storm that we had. And I think there is a need to have a
2634 real conversation about the benefits and challenges of
2635 greater interconnections between ERCOT and the rest of the
2636 country.

2637 Electricity, as all of us know, is as essential as food
2638 and water, and we can't have reliable electricity if we do
2639 not have reliable natural gas. Electric gas coordination is
2640 critical, and I think FERC has a role to play in some
2641 regulation over interstate pipelines and increasing
2642 transparency. This legislation addresses that, and directly
2643 addresses one of the issues laid out in the FERC-NERC report
2644 in response to Winter Storm Uri.

2645 It is also critical that, as we address the problem of
2646 the Texas blackout, that we take a serious look at the rest

2647 of the infrastructure that supports our electric grid,
2648 including natural gas production and transmission. As many
2649 of you know, Texas, we are abundant with natural resources,
2650 including natural gas that helps fuel our economy and keeps
2651 us competitive, globally. It is all the more important that
2652 we take action to ensure these resources are there when we
2653 need them most, like during the historically cold winter
2654 storm that we had.

2655 While the legislation in front of us will address some
2656 of the concern, a lot of the problems that we are facing in
2657 Texas with constrained natural gas supply were related to
2658 disruptions upstream, particularly with frozen wellheads, and
2659 I was hoping that Chairman Glick could describe the extent of
2660 first jurisdiction over interstate pipelines.

2661 In particular, can you speak to FERC's oversight of 311
2662 service and Hinshaw pipelines?

2663 *Mr. Glick. So thank you very much for the question,
2664 Mr. Veasey. So we have authority over siting interstate
2665 natural gas pipelines under the Natural Gas Act. We also
2666 have some authority over regulation of the transportation
2667 rates. And primarily, we have authority over the
2668 jurisdiction of our interstate pipelines, transportation of
2669 natural gas over interstate natural gas pipelines.

2670 But there are also intrastate natural gas pipelines,
2671 including some in Texas, that will also provide some
2672 interstate service. And so we -- in those cases we also
2673 regulate the rates, pursuant to Section 311, I think, of the
2674 Natural Gas Policy Act.

2675 *Mr. Veasey. Given FERC's exercises -- given FERC
2676 exercises limited jurisdictional oversight over 311 service
2677 and Hinshaw pipelines based on states' oversight of both,
2678 does FERC assess or confirm that such state oversight is
2679 sufficient?

2680 *Mr. Glick. No, we don't have the authority to do that,
2681 but that -- you are exactly right, those facilities are
2682 primarily subject to, I believe, the Texas Railroad
2683 Commission in Texas.

2684 *Mr. Veasey. Given that we know that there is a lack of
2685 weatherization of natural gas assets -- it was a documented
2686 problem during Winter Storm Uri -- could gas supply shortages
2687 and subsequent issues during Winter Storm Uri have been
2688 avoided if there was some additional visibility with
2689 intrastate pipelines?

2690 *Mr. Glick. Thank you for the question. I don't
2691 believe so.

2692 I think the major issues were, essentially, weather --

2693 there were two issues. There was weather conditions, which
2694 -- essentially, those production facilities and those
2695 processing facilities for natural gas froze.

2696 Secondly, those other facilities that were still
2697 operational lost their power. There wasn't, essentially, a
2698 system set up, and I think Texas is now look at that --
2699 looking at that, to make sure they are not cut off when there
2700 are rolling blackouts, that those facilities are not cut off.

2701 So I think that is where the -- those were, essentially,
2702 where the responsibilities lie, in terms of the impact and
2703 what caused the blackouts in Texas. I don't --

2704 *Mr. Veasey. What --

2705 *Mr. Glick. Yes?

2706 *Mr. Veasey. What if there were capacity postings for
2707 interstate pipelines, similar to the bulletin boards
2708 available for interstate pipelines? Do you think that
2709 generators could have prepared like that?

2710 *Mr. Glick. I think generators would have had -- to
2711 have more insight, essentially, as I mentioned earlier, to
2712 have more transparency into what is going on in the natural
2713 gas side, would essentially allow generators to go out and
2714 purchase natural gas elsewhere, instead of at the last
2715 minute, which certainly caused some of the problems and drove

2716 up prices in the region.

2717 *Mr. Veasey. Thank you.

2718 Mr. Chairman, I yield back.

2719 *Mr. Rush. The gentleman yields back. The chair now
2720 recognizes the gentleman from Alabama, Mr. Palmer, for five
2721 minutes.

2722 *Mr. Palmer. Thank you, Mr. Chairman, and your presence
2723 will be missed. I wish you well.

2724 I have been sitting here listening to the responses from
2725 the witnesses, and I am kind of stuck somewhere between
2726 perplexed and confused and ashamed at how unwilling you are
2727 to give a straight answer to a straight question, and how
2728 little you seem to know about some of the subject matter.

2729 I mean, you were asked about pipeline safety. I don't
2730 care if that is your area of expertise or not. You ought to
2731 know that the safety record for pipelines is impeccable,
2732 99.999 percent safe. It is, by far, without question --
2733 except, apparently, by you two guys -- the safest means of
2734 transporting energy. It is also the least expensive. And
2735 that is a big, big deal for American families.

2736 As I have pointed out many times on this committee, I
2737 grew up dirt poor, so I have a real burden for low-income
2738 families and what they are experiencing right now,

2739 particularly going into this winter. We have already had two
2740 snows in Alabama, which is a little bit remarkable. But
2741 people are literally going to be choosing between eating and
2742 heating because they can't afford their energy.

2743 You saw what has happened in Europe over the last few
2744 years as they have pivoted away from natural gas, and tried
2745 to go to almost all renewables, particularly in the UK. I
2746 think it was either the winter of 2016/2017 or 2017/2018,
2747 they had almost 17,000 people that they classified as excess
2748 winter deaths because they couldn't adequately heat their
2749 homes.

2750 I mean, is that the kind of policy that this
2751 Administration supports, Mr. Glick?

2752 *Mr. Glick. I can speak for FERC, I can't speak for the
2753 Administration, since we are an independent agency, but I
2754 will say this, that our responsibility is to ensure that
2755 rates, in terms of transportation of fuel and in terms of
2756 electricity transportation and generation within our
2757 jurisdiction, is the rates are just and reasonable.

2758 And so the answer is it is not acceptable when rates go
2759 up extremely high, and we have taken a number of initiatives
2760 over the years to reduce -- over the last several years to
2761 try to reduce energy.

2762 *Mr. Palmer. But here is what the Administration is
2763 doing, and you made this point. You said demand is up,
2764 supply is down. You -- that was your answer, wasn't it?

2765 *Mr. Glick. That would be Secretary -- but I agree with
2766 that.

2767 *Mr. Palmer. Okay, Deputy Secretary Turk made that
2768 point.

2769 Okay, here is the thing. If you understand that price
2770 is a function of supply and demand, when you shut off the
2771 construction of a major pipeline like Keystone XL, when you
2772 threaten to shut down other pipelines, when you restrict
2773 access to energy resources that were making us energy
2774 independent, you create a situation, with Russia and OPEC,
2775 where the President is having to go hat in hand, on bended
2776 knee to ask them to increase production because the supply is
2777 now affected.

2778 Do you understand that? Apparently you understand that,
2779 Deputy Secretary.

2780 *Mr. Turk. So just to be clear --

2781 *Mr. Palmer. I don't want a long, drawn-out answer.

2782 *Mr. Turk. Yes.

2783 *Mr. Palmer. I have only got a minute and a half left.

2784 *Mr. Turk. What is --

2785 *Mr. Palmer. Just -- do you understand it?

2786 *Mr. Turk. What has thrown us out of whack here in the
2787 near term is COVID. When demand went way down, production
2788 then went way down on oil and gas. The economy is roaring
2789 back, and production has not kept up with that.

2790 *Mr. Palmer. But the first thing --

2791 *Mr. Turk. That is where we have got to --

2792 *Mr. Palmer. -- this Administration did was shut down
2793 XL --

2794 *Mr. Turk. That is where we --

2795 *Mr. Palmer. -- the construction of XL, Keystone XL,
2796 and restrict access to energy resources on Federal lands.
2797 You took zero action to address the demand issue, which is
2798 going to continue to be an issue, and you basically gave a
2799 geopolitical windfall to Russia.

2800 And that brings me to -- back to this other point about
2801 how insane these policies are, considering the condition --
2802 the conditions that we face right now with an adversarial
2803 Russia and, I believe, an enemy in China, and adversaries in
2804 the Middle East, and making us more dependent on foreign oil
2805 because we have policies that are preventing us from
2806 constructing the infrastructure that we need that is the
2807 safest, most economical infrastructure for energy delivery,

2808 and shutting ourselves down from -- cutting ourselves off
2809 from access to the resources that we have to keep prices
2810 down, to keep families whole in the sense of their economic
2811 wholeness, and in regard to our national security. It just
2812 doesn't make any sense to me.

2813 And with that, Mr. Chairman, I yield back.

2814 *Mr. Rush. The gentleman yields back. The chair has
2815 been made aware that the chairman of the full committee, Mr.
2816 Pallone, has returned.

2817 Mr. Pallone, you are --

2818 [Audio malfunction.]

2819 *Mr. Rush. -- for five minutes.

2820 *The Chairman. Thank you, Chairman Rush. I wanted to
2821 ask Chairman Glick.

2822 Your testimony explains that the North American Electric
2823 Reliability Corporation, or NERC, is empowered to issue
2824 reliability standards to the electric industry, but there is
2825 no comparable organization empowered to issue reliability
2826 standards for the gas industry.

2827 So how does the status quo affect FERC's ability to
2828 implement the recommendations from the recent FERC-NERC joint
2829 report on lessons from Storm Uri, which identified needed
2830 reliability standards for both electric and gas industries?

2831 Does it mean that FERC can implement the recommended
2832 standards for the electric industry, but not for the gas
2833 industry?

2834 *Mr. Glick. Essentially, yes. We are -- FERC, working
2835 along with NERC, are working to try to implement as many of
2836 the recommendations as we can, but we don't have the
2837 authority to implement the recommendations regarding natural
2838 gas reliability.

2839 *The Chairman. All right. Now let me ask Deputy
2840 Secretary Turk.

2841 Section 215 of the Federal Power Act also empowers NERC
2842 to issue cybersecurity standards that are necessary to
2843 maintain the reliable operation of the bulk power system.
2844 From DoE's vantage point as the sector-specific agency
2845 responsible for the energy industry, does NERC's success in
2846 issuing cybersecurity standards for the electric industry
2847 demonstrate that the proposed Energy Product Reliability
2848 Organization could perform a similar function for the oil and
2849 gas sector?

2850 *Mr. Turk. So we think the FERC-NERC model has worked
2851 quite well in the electricity and the bulk power market. And
2852 again, TSA has put some mandatory standards on the books for
2853 a year, emergency standards for the pipeline. But it doesn't

2854 cover refineries, it doesn't cover other parts of the chain,
2855 and it is only for a year, as well.

2856 *The Chairman. And so -- but do you think that this
2857 proposed agency could perform a similar function for oil and
2858 gas, the oil gas sector?

2859 *Mr. Turk. So again, it is up for Congress to decide
2860 who has what authorities, and we are happy to have further
2861 conversations on the regime that is in place that makes the
2862 most sense in this place.

2863 I will say FERC and NERC have done a very good job on
2864 the electricity bulk power side.

2865 *The Chairman. Okay, and let me go back to Chairman
2866 Glick.

2867 The Electric Reliability Organization was the product of
2868 bipartisan work by members of this committee, and ultimately
2869 passed as part of the Energy Policy Act of 2005 in a
2870 Republican Congress, and signed by a Republican President.
2871 And that idea has withstood the test of time, and
2872 demonstrated that industry-led stakeholder processes subject
2873 to FERC oversight can establish meaningful reliability
2874 standards that protect the reliability of the bulk power
2875 system.

2876 So given that the -- this proposed Energy Product

2877 Reliability Organization is expressly modeled on the Electric
2878 Reliability Organization, do you think that the industry-led
2879 stakeholder process established by Chairman Rush's
2880 legislation can likewise be a successful mechanism for
2881 protecting the reliability of the oil and gas infrastructure?

2882 *Mr. Glick. I believe so. The electricity model has
2883 worked very well with the legislation you mentioned created
2884 in 2005, and I believe a similar model would work on the --
2885 with regard to pipeline reliability.

2886 *The Chairman. All right. Let me just say -- I don't
2887 know -- I wanted to comment on my Republican colleagues, but
2888 -- and there are still -- there are some of them here, and
2889 some on the -- that are being -- that are virtual.

2890 But I guess I just -- you know, I don't like to
2891 criticize you guys, but you continually criticize today the
2892 Biden Administration's move to tap the Strategic Petroleum
2893 Reserve to address energy prices. And you know, I do think
2894 that that was significant, and was necessary. And so I don't
2895 really understand why that criticism is taking place.

2896 But I do want to say that I support the Biden
2897 Administration's efforts, and I also want to -- you know,
2898 with regard to this -- and I also want to highlight that
2899 Republicans on this committee used the SPR as a pay-for when

2900 they drafted the 21st Century Cures Bill, which I also
2901 supported.

2902 And so, you know, if we can use the SPR to pay for
2903 health care legislation, why do they -- why do you all of a
2904 sudden oppose using it to address energy prices?

2905 I am not looking for a response, but I just -- I have to
2906 comment on the fact that, you know, I thought that that made
2907 a lot of sense, and I don't really understand the criticism
2908 of it. That is just my comment.

2909 And did some -- I am not asking for you to comment, but
2910 if you want to, you can. Otherwise, I am going to yield
2911 back.

2912 All right, I yield back, Mr. Chairman.

2913 *Mr. Rush. The gentleman yields back. The chair now
2914 recognizes the gentlelady from Arizona, Mrs. Lesko, for five
2915 minutes.

2916 *Mrs. Lesko. Thank you, Mr. Chairman, and I wish you
2917 the best in your future endeavors.

2918 My questions are from Chairman Glick -- for Chairman
2919 Glick.

2920 Chairman Glick, I am concerned that FERC is unfairly
2921 second-guessing final decisions that the Commission made
2922 under the prior chairman. For example, FERC recently issued

2923 five notices of intent to prepare new Environmental Impact
2924 Statements and projects for which FERC already determined
2925 that final environmental assessments were sufficient.

2926 So going forward, Chairman Glick, can the public and
2927 regulated industry rely on FERC to make final decisions and
2928 then stick with the decisions?

2929 *Mr. Glick. Thank you for the question, Mrs. Lesko. I
2930 would disagree with the premise of the question. Actually,
2931 the FERC never did say that those previous environmental
2932 reviews were sufficient. Those were staff analyses, and they
2933 didn't make that determination, either.

2934 Basically, we are doing what the courts are requiring us
2935 to do. And I want to use an example. So over the last
2936 several years the courts have repeatedly said FERC is not
2937 doing this right. We are not -- and other agencies, too,
2938 they are saying FERC and other agencies are not essentially
2939 reviewing pipelines sufficiently, in terms of the
2940 environmental impacts. And what happens is we issued our
2941 orders in the past, the courts sent it back to us, it takes
2942 several years to go back and do the additional reviews. And
2943 all it does is cost extra money and, in many cases, it causes
2944 pipelines to cancel those projects. It has happened in the
2945 past.

2946 So what we are trying to do is follow what the law
2947 requires and what the courts are telling us. And so we are
2948 trying to do -- if you look at the last several court cases,
2949 they are essentially saying we have to do an environmental
2950 impact statement to review the environmental impacts of these
2951 particular projects. And so we are doing so. In the long
2952 run, it is actually going to expedite the process, not slow
2953 it down.

2954 *Mrs. Lesko. Thank you for the answer. My next
2955 question is also for you.

2956 In order 871, which was recently implemented this year,
2957 FERC changed well-settled practice, and created new project
2958 risks. Order 871 significantly restricts what companies can
2959 do, while it requests a rehearing of FERC certificate orders
2960 pending, which can delay a pipeline's access to the land
2961 necessary to conduct project surveys for environmental and
2962 cultural resource permits, land acquisition, and
2963 construction.

2964 The order also announces a presumptive stay on all
2965 future pipeline certificates pending, rehearing proceedings,
2966 which is contrary to congressional direction in the National
2967 Gas Act.

2968 Further, the order is not clear about what a pipeline

2969 needs to prove to lift the stay. The order provides
2970 incentives for project opponents to seek rehearing to delay
2971 projects.

2972 We all know that building infrastructure projects has
2973 taken longer and longer in recent years. How much delay do
2974 you expect FERC's recent order 871 to add to pipeline
2975 development timelines, considering that most of these
2976 projects already have taken multiple years to design, permit,
2977 and build?

2978 *Mr. Glick. So order 871, essentially, was a response
2979 to the courts, which, essentially, told FERC that we weren't
2980 handling the pipeline siting process sufficiently in terms of
2981 ensuring that landowners have their day in court. And I want
2982 to quickly explain.

2983 Under the Natural Gas Act, when you get a certificate of
2984 public convenience and necessity, you automatically -- the
2985 pipeline developer can automatically go to court, and
2986 actually take land by eminent domain. With those people,
2987 landowners and others that are challenging the Commission's
2988 decision to issue the certificate, it takes a little while
2989 because of the way the Natural Gas Act is written to get to
2990 court and those who challenge those particular decisions.

2991 So what 871 says is we are going to delay the effective

2992 date of the certificate to give those parties enough time to
2993 make their challenge at FERC, and then go to court. And if
2994 the court then stays the Commission's decision, that is one
2995 thing. If they don't, then they can go and move forward with
2996 taking land by eminent domain.

2997 But it is all about making sure that landowners have
2998 their day in court before land is taken by eminent domain.

2999 *Mrs. Lesko. How much time do you think that will add
3000 onto the already long time it takes to get permitting?

3001 *Mr. Glick. I -- if any time -- and I don't have -- I
3002 can't give you a specific answer -- I think very little, in
3003 large part because the process -- we only -- we limit it.
3004 Under 871(b), what the Commission did is limited this time
3005 period to 90 days. So essentially, you have to wait 90 days,
3006 or earlier, if the Commission acts on the rehearing proposal
3007 earlier, before you can actually go to court and seek to take
3008 land by eminent domain.

3009 But that is early on in the process. It is not
3010 necessarily going to delay the development of the pipeline
3011 itself, because it takes a long time. Even if you take the
3012 land, you need to get the other permits you need from state
3013 agencies and other Federal agencies.

3014 *Mrs. Lesko. Thank you, I yield back.

3015 *Mr. Rush. The gentlelady yields back. The chair now
3016 recognizes the gentlelady from Florida, Ms. Castor, for five
3017 minutes.

3018 *Ms. Castor. Well, thank you, Mr. Chairman. And Mr.
3019 Chairman, you leave quite a legacy here in Congress and back
3020 in your home community, and I know you are not done yet.

3021 And thank you to our witnesses, Chairman Glick, and to
3022 Deputy Secretary Turk, for being here.

3023 You know that the deadly Texas freeze last February
3024 demonstrated how important it is that we weatherize our
3025 existing infrastructure, and do everything we can to blunt
3026 the higher costs and risks fueled by the climate crisis.

3027 Now, this Congress has acted on several strategies to
3028 lower the cost for consumers and businesses, and make the
3029 grid more reliable, especially upgrading and expanding our
3030 electric grid, investing in energy efficiency, conservation,
3031 distributed clean energy resources, and clean back-up
3032 storage. And today we are focused on the pipeline
3033 infrastructure angle here, and the reliability standards.

3034 Now, there is a -- there is an untold story that a lot
3035 of people don't know, but there was an article in the Texas
3036 Monthly. I believe it was -- it came out just recently that
3037 the gas industry received \$11 billion in windfall profits

3038 from the Texas freeze. Without reliability standards, the
3039 gas industry will continue to reap windfall profits, while
3040 leaving customers out in the cold. And it is not just Texans
3041 that are impacted. The gas spot price went up thirtyfold in
3042 Southern California. Minnesotans had to pay an extra \$800
3043 million.

3044 So Chairman Glick, tell us more about the cost of
3045 consumers in other parts of the country having to cover the
3046 cost because of the failure of the Texas grid.

3047 *Mr. Glick. I appreciate the question, Ms. Castor. And
3048 in fact, I recently read that article, as well.

3049 And I would say that, you know, that is -- if we are
3050 talking about impact on consumer bills, the bill increases we
3051 have seen as a result of what happened in Texas and
3052 surrounding states last winter, by many folds we are talking
3053 about much higher increases than the other rate issues that
3054 we have been talking about today. And in large part it was
3055 because of simple supply and demand. Gas production
3056 facilities -- and Texas supplies a lot of natural gas around
3057 the country -- gas facilities in Texas froze, many of them
3058 froze. Many of them became inoperable, as did the processing
3059 stations, and so there wasn't enough gas to go around.

3060 So what gas was left, both in Texas and elsewhere, the

3061 prices dropped -- jumped dramatically. And you mentioned
3062 some of the -- talking 800 percent, 700 percent. Different
3063 states had significant, enormous rate increases.

3064 So the benefit, I think, of the bill that we are talking
3065 about today, or the concept of ensuring the reliability of
3066 the gas infrastructure, if that gas infrastructure was more
3067 reliable, and the facilities didn't freeze, and they didn't
3068 get cut off from electricity supply, we would have seen rate
3069 -- rate increases would have been much smaller, only
3070 basically due to the fact that it was cold and there was more
3071 demand for gas because of that.

3072 And so I think this is not only an important perspective
3073 from reliability and in certain terms of making sure that
3074 people's lives are protected, which is obviously the most
3075 important, but it is also in terms of the pocketbook. And
3076 this legislation, I think, or the idea behind this
3077 legislation, will help promote what I believe will keep
3078 energy prices, both electricity and natural gas prices, much
3079 lower if we have a more reliable natural gas pipeline system.

3080 *Ms. Castor. I agree.

3081 And Deputy Secretary Turk, would you like to add your
3082 views?

3083 *Mr. Turk. Yes, happy to, and thanks, Chairwoman, for

3084 all your leadership in the Climate Committee, in particular,
3085 and all else.

3086 So I think you are absolutely right to focus on the cost
3087 of climate change to American consumers: \$145 billion last
3088 year is one estimate from extreme weather exacerbated or
3089 caused by climate change.

3090 So we need to look at all of our tools to make sure
3091 there is not manipulation in the market, and to assure
3092 affordability, including on heating for those consumers who
3093 are having challenges. And price -- the price of gas at the
3094 pump right now is too high. We think it is too high. This
3095 Administration thinks it is too high. That is why we are
3096 doing the kinds of things we are doing.

3097 We have got 4.5 billion in LIHEAP. Congress
3098 appropriated 21.5 in emergency rental assistance that is going
3099 to help pay energy bills along those lines. We have gotten
3100 14 utility companies to avoid shutoffs for those consumers
3101 who are having challenges during this COVID crisis. So we
3102 absolutely have to keep our eye on that affordability issue.

3103 *Ms. Castor. Yes, and I think Chairman Rush's Energy
3104 Product Reliability Act fills that very important gap,
3105 whether we are talking about cybersecurity or we are talking
3106 about the rising costs and risk fueled by the climate crisis.

3107 So thank you very much, and I yield back.

3108 *Mr. Rush. The gentlelady yields back. The chair now
3109 recognizes the gentleman from Indiana, Mr. Pence, for five
3110 minutes.

3111 *Mr. Pence. Thank you, Chairman Rush and Ranking Member
3112 Upton, for holding this hearing, and thank you to the
3113 witnesses for appearing before our committee.

3114 The bill before us today misses the mark in addressing
3115 issues facing my constituents this winter. Rental assistance
3116 is -- helps pay the rent. It does not help pay the utility
3117 bill. Right now, families across Indiana's 6th district are
3118 paying more to heat their home, cook their meals, and drive
3119 to work.

3120 Unfortunately, H.R. 6084, as currently written, is an
3121 unworkable solution in search of a problem. Our discussions
3122 today about reliable energy distribution for electricity
3123 generation should focus on access to abundant fuel supplies
3124 at an affordable price, as both of you have mentioned today.

3125 If the majority and the Biden Administration want to
3126 push the electrification of our economy, particularly our
3127 transportation economy, we would need more production of
3128 natural gas and expanded capacity of new pipelines to meet
3129 increased electricity demands. It is clear, however, that

3130 construction of new interstate natural gas pipelines under
3131 this Administration could grow increasingly difficult, like
3132 Line 5 that Chairman -- Ranking Member Upton asked about
3133 earlier.

3134 For a state like Indiana, that does not have substantial
3135 local resources of natural gas, interstate pipelines serve as
3136 an economic lifeline. Having spent my career in the energy
3137 distribution industry, I know firsthand that pipelines are
3138 the safest, most reliable form of transportation.

3139 A robust and competitive market for fuel distribution is
3140 the best way to ensure businesses and consumers have reliable
3141 access to affordable energy. Adding a regulatory regime that
3142 oversteps state and local authorities, like H.R. 6084, isn't
3143 the answer. And I am not real sure that it clears things up
3144 and keeps things out of court.

3145 In particular, I am concerned that this bill could
3146 expand Federal authorities into intrastate pipelines that are
3147 already regulated by my Indiana Utility Regulatory
3148 Commission. When I speak with local distribution companies
3149 like Southeastern Indiana Gas Company and Mylan, they are not
3150 asking for Federal Government to layer on additional
3151 regulations. A company like Southeastern needs access to gas
3152 supplies at a competitive price, so they can offer affordable

3153 services to Hoosiers in our community.

3154 When we consider our future energy outlook, I am
3155 concerned that vulnerabilities to reliable fuel
3156 transportation could arise from a lack of supply and an over-
3157 regulated market, not because FERC needed more broad and
3158 unchecked authority, personnel, or money.

3159 Chairman Glick, it appears that this Administration has
3160 a singular focus on the complete electrification of our
3161 economy, from the cars we drive to the stovetops we use. As
3162 we have discussed today, if the goal is electrification,
3163 natural gas will need to play a significant role. Expanded
3164 pipeline capacity will be all but required to meet the
3165 increased electricity demands of our economy. The agenda of
3166 this Administration may only deter necessary investments into
3167 new pipeline construction. Reliable financial investments
3168 into new pipelines will require certainty of a stable market
3169 and regulatory environment.

3170 However, competition between Federal and state oversight
3171 authorities could cloud the regulatory future, and introduce
3172 more uncertainty to potential investors. If certainty is
3173 what people need to make investments, how will a regulatory
3174 regime like that of H.R. 6084 impact the cost of constructing
3175 new interstate or intrastate pipelines to meet increasing

3176 electricity demands, and are you supportive of new natural
3177 gas pipelines?

3178 *Mr. Glick. First of all, I would say that the --
3179 thanks for the question, Mr. Pence. I would say that, first
3180 of all, that the -- I don't think it would add any -- this
3181 legislation being enacted would not have any impact, in terms
3182 of the construction of natural gas pipelines or the cost
3183 associated with the construction of natural gas pipelines.
3184 This is really -- this legislation and the idea is really
3185 focused primarily on --

3186 *Mr. Pence. But wouldn't you agree a pipeline company
3187 -- some of the increased regulations for cybersecurity may be
3188 additional expenses for their company --

3189 *Mr. Glick. It is --

3190 *Mr. Pence. -- which would reduce the amount of dollars
3191 they have available for investments?

3192 *Mr. Glick. The long and the short term -- I think we
3193 have seen this some in the electricity side. I think, if you
3194 talk to all the -- many of the electricity companies, they
3195 would argue the fact that we now have mandatory reliability
3196 standards on the electricity side that have actually reduced
3197 their cost, because they became more reliable, they don't
3198 have to buy backup power. Sometimes they don't have to, you

3199 know, to extend the facilities -- to go out and build the
3200 facility over and over again every time a hurricane comes in
3201 -- lands in their shores.

3202 And so I think that -- I think, actually, in the long
3203 term we are talking about a more reliable system -- making
3204 sure that that actually -- the cost to consumers goes down.

3205 *Mr. Pence. Well, you and I disagree on that. I think
3206 more regulation costs more money. But I thank you for your
3207 time, and I yield back.

3208 *Mr. Rush. The gentleman yields back. The chair now
3209 recognizes the gentleman from Oregon, Mr. Schrader, for five
3210 minutes.

3211 *Mr. Schrader. Thank you very much, Mr. Chairman, and
3212 thank you for your historic leadership of this committee and
3213 your tenure in Congress.

3214 Mr. Glick, just to get a little perspective here, what
3215 has been the trend in pipeline failures and pipeline
3216 incidents over the last decade or so? Is it starting to
3217 increase? Is that --

3218 *Mr. Glick. I will have to get that information for you
3219 for the record. I am not aware of that, Mr. --

3220 *Mr. Schrader. Okay, okay. It is kind of important,
3221 because, you know, if we need to change the regulatory

3222 framework, it would be, I assume, because we are having more
3223 problems.

3224 *Mr. Glick. If I could interject just quickly --

3225 *Mr. Schrader. Sure.

3226 *Mr. Glick. I think -- and again, as we saw in Texas
3227 last winter, I think there are problems in terms of natural
3228 gas infrastructure, especially with greater incidences of
3229 extreme weather. In terms of pipelines themselves, I think
3230 we -- I would have to come up with some figures for you and
3231 we will get back to you.

3232 *Mr. Schrader. Okay, that would be helpful.

3233 Is there evidence that the pipeline companies are not
3234 maintaining the pipelines adequately, not doing their due
3235 diligence?

3236 *Mr. Glick. I don't have any evidence of that, no.

3237 *Mr. Schrader. Okay, okay. That also seems kind of
3238 important to me to help make a decision.

3239 Well, I guess, what is the agency right now doing to
3240 ensure pipeline safety? I mean, that is, obviously, an area
3241 of expertise for DoE. What are your goals there?

3242 *Mr. Glick. So the authority over pipeline safety is
3243 primarily given to PHMSA, but we do have authority -- when we
3244 site a new interstate natural gas pipeline, we have authority

3245 to ensure that the pipeline, essentially, is going to be in
3246 the public interest. So we do review the safety elements up
3247 front, you know, before it is constructed, to make sure it is
3248 planned in the right way and so on. But once the project
3249 goes into operation, those issues are handed over to PHMSA.

3250 *Mr. Schrader. So then we have PHMSA doing a lot of
3251 that stuff already, okay.

3252 What is the industry doing to increase the safety of
3253 their pipelines? Some are older, they have been around quite
3254 some time.

3255 *Mr. Glick. Well, again, I would recommend talking to
3256 the industry. But I would say that what we hear from them is
3257 they say they are making increased investments to deal with
3258 older pipelines. We know the pipeline system is aging around
3259 the country.

3260 And then on cybersecurity, they are -- what they tell us
3261 is they are making certain investments to address
3262 cybersecurity threats, as well, to the pipelines.

3263 I would say, though, there is always a weak link in the
3264 system when you are talking about what utilities are doing on
3265 a voluntary basis. And I would go back again -- the
3266 recommendations that were made in 2011 that were voluntary
3267 recommendations -- this is on the power side, but to

3268 weatherize power plants. And generators said, "Oh yes, we
3269 are going to do it, we are going to invest, we are going to
3270 make sure that our power plants are -- next time the cold
3271 weather comes around, we are going to be ready.'" And the
3272 fact is they weren't, because they didn't want to make the
3273 investments that someone else -- that their competitor wasn't
3274 willing to make.

3275 And so I think that is the lesson we need to learn when
3276 we consider whether there needs to be mandatory standards on
3277 the pipeline side --

3278 *Mr. Schrader. Well, it sounds like it seems we need
3279 oversight, you know. And I would assume the Department of
3280 Energy, you guys have regulatory authority to do that to some
3281 degree with the states. If it is intrastate, the states
3282 would have that authority. It could be brought up to speed
3283 on that.

3284 I have some concerns about NERC in this space, to be
3285 honest with you. We have had some catastrophic wildfires out
3286 in Oregon, and the whole West Coast, for that matter, parts
3287 of Colorado. It has been devastating. And I don't see where
3288 NERC's province seems to be playing heavily in that area to
3289 prevent those types of catastrophic wildfires.

3290 I will say Congress has stepped in in many cases. We

3291 passed a bill that myself and Representative LaMalfa from
3292 California put together that is, hopefully now, going to be
3293 implemented, that talks about making it easier for power
3294 companies to do hazardous tree removal along power rights-of-
3295 way. That is critical, as we have seen in these recent
3296 wildfires -- I don't care if it is California, Oregon, you
3297 name it -- to get those rights-of-way cleaned up. Sometimes
3298 it is the Federal agencies, like the Forest Service and BLM,
3299 not doing their due diligence, or making it more difficult.
3300 Sometimes it is the companies. And our bill, hopefully, will
3301 do that. And I would assume your agency will monitor that
3302 work pretty closely.

3303 One of the nice things that we have done here most
3304 recently in the bipartisan infrastructure bill that passed
3305 here this year -- nice bill, both parties, everyone involved
3306 -- is set aside money for wildfire mitigation in our energy
3307 network to improve transmission, to make it more reliable.
3308 There are grants provided for different companies, different
3309 jurisdictions to apply for.

3310 What is the timeliness in getting that money out the
3311 door? And I don't know if that is a question for you, Mr.
3312 Glick, or you, Mr. Turk.

3313 *Mr. Turk. So this is a game changer, just as you said.

3314 The investments in the bipartisan infrastructure legislation,
3315 whether it is wildfires, whether it is reliability more
3316 generally in the electricity sector, 16 billion -- so we are
3317 working right now to get all that set up. Some of it
3318 requires some new offices. We have said we need to hire
3319 1,000 additional people to make sure that we are doing this
3320 in the way we should be doing it. And if anybody who is
3321 listening wants to come work at the Department of Energy, we
3322 would be happy for them to apply.

3323 So we are going to try to do this quickly. We can't
3324 wait, whether it is wildfire risks, cyber risks. And we
3325 certainly feel like there is a necessary mandatory minimum
3326 that everyone should be doing, cyber hygiene in particular,
3327 on that front. And even if many parts of the industry are
3328 doing what they should be doing, if some parts aren't that is
3329 a vulnerability from a national security, from a national
3330 infrastructure perspective. And we need to, from our
3331 perspective, make sure we have got that foundation, that
3332 floor that we can build upon.

3333 *Mr. Schrader. Just -- last comment. Wildfire season
3334 is coming, so please hire the people and get the rules of the
3335 road written. Thank you.

3336 And I yield back, Mr. Chairman.

3337 *Mr. Rush. The gentleman yields back. The chair now
3338 recognizes the gentleman from North Dakota, Mr. Armstrong,
3339 for five minutes.

3340 *Mr. Armstrong. Thank you, Mr. Chairman. And before I
3341 go into my questions on pipelines, I would just like to
3342 address why I personally was critical of the release of the
3343 strategic oil reserves, and that is because the best case
3344 scenario was it was a cynical ploy for the Administration to
3345 look like they were doing something for high energy costs.

3346 The worst case scenario is that it shows a complete lack
3347 of knowledge by the most -- the Administration of the most
3348 powerful country in the history of the world as to how,
3349 actually, energy markets work. Because the month before they
3350 released the strategic oil reserve, WTI price was 81.48. The
3351 month after they released the strategic oil reserve the price
3352 was 79.83. As of now, it is 84.93. The month before the
3353 strategic oil reserve was released, compared to the month
3354 after strategic oil reserve was released, gasoline went down
3355 by a whopping one cent. But don't worry about it, because
3356 right now, January, it is up \$.93, year over year.

3357 So these have -- and it has real consequences, because
3358 now we feel the strategic reserve at a significantly higher
3359 price, costing taxpayers money. So that is just -- just to

3360 be clear of where and why we would be critical of decisions
3361 like that.

3362 Within his first week of taking office, President Biden
3363 issued executive order 14008, tackling the climate crisis at
3364 home and abroad. And amongst its many problematic provisions
3365 is section 209, which requires agencies to target perceived
3366 fossil fuel subsidies, and take steps to ensure that Federal
3367 funding is not subsidizing certain energy sources.

3368 Aside from the fact that the President is intent on
3369 picking winners and losers at the expense of national
3370 security, reliability, and affordability, it has come to my
3371 attention that employees at the Department of Energy seem to
3372 have taken it upon themselves to inform various organizations
3373 that the Department will not continue to support research in
3374 the fossil fuel space. Employees have referenced President
3375 Biden's executive order when advising about awards through
3376 fossil energy programs, implying the executive order
3377 precludes them from honoring certain awards.

3378 Mr. Turk, is it true that the Department will no longer
3379 support research in fossil energy?

3380 *Mr. Turk. So we support research across the energy
3381 spectrum, including an awful lot of research, and we have
3382 more funding coming from the bipartisan infrastructure

3383 legislation on --

3384 *Mr. Armstrong. Well, let me be more specific.

3385 *Mr. Turk. -- hydrogen --

3386 *Mr. Armstrong. Does the Department support research
3387 and technologies like carbon capture and sequestration that
3388 result in emission reductions?

3389 *Mr. Turk. So we are absolutely investing in carbon
3390 capture, utilization, and storage. The Department has for
3391 many years, and now we have 10 billion and more for CCUS
3392 demonstration programs in the bipartisan infrastructure
3393 legislation that we look forward to working with North Dakota
3394 and other states around the country on.

3395 *Mr. Armstrong. Well, now I want to turn specifically
3396 to programs utilized in North Dakota that have a substantial
3397 impact on fossil energy research, and understand what the
3398 Department will prioritize over the next year.

3399 The Department's fiscal year 2022 budget zeroes out the
3400 unconventional fossil energy technologies budget line. This
3401 seems to be a huge mistake, given the energy independence the
3402 United States has developed over the last decade.

3403 While the Department is seeking to eliminate future
3404 funding for this program, will you commit to the Department
3405 funding key unconventional energy projects that have already

3406 been awarded and are underway in North Dakota?

3407 *Mr. Turk. So I would have to look at the particular
3408 projects that you are talking about to make sure I am giving
3409 you a responsive answer. So happy to take that for the
3410 record, or have a side conversation.

3411 *Mr. Armstrong. Thank you, I appreciate that.

3412 Through the Energy and Environmental Research Center in
3413 Grand Forks, North Dakota, it is intricately involved in the
3414 Department's regional carbon sequestration partnership. With
3415 over 120 public and private-sector stakeholders, the Plains
3416 CO2 Reduction Partnership is laying the groundwork for
3417 permanent, safe, and practical underground storage of carbon
3418 dioxide from industrial facilities in the region. The
3419 Department has worked with us in the past, and I am hopeful
3420 that they will continue to honor their commitment to provide
3421 continuing funding for the regional partnership, including
3422 the Plains CO2 partnership.

3423 In addition to working on carbon sequestration, the ERC
3424 has assembled a key test center for solid oxide fuel cells
3425 for the Department of Energy. It is anticipated, for a
3426 previously approved proposal, that this is -- this center
3427 will receive 2 million in the fiscal year 2022 to continue to
3428 support research efforts. Will the Department commit to

3429 honoring the solid oxide fuel cells test center and other
3430 previously-approved proposals?

3431 *Mr. Turk. So again, happy to get to you on the
3432 particulars. We don't yet have our fiscal year 2022 budget.
3433 We are still on a CR, so it is difficult to plan those kinds
3434 of things.

3435 And let me underscore, as well, on the CCUS side, we
3436 have a North Dakotan, Brad Crabtree, who is the nominee to
3437 lead our fossil energy and carbon management office, and we
3438 hope he is confirmed very quickly, so he can help North
3439 Dakota and other states around the country.

3440 *Mr. Armstrong. Well, I think I speak for all of my
3441 colleagues in the House to say we would like to have more of
3442 a say in confirmations, but that really happens on the north
3443 end of the Capitol.

3444 And with that, I will yield back.

3445 *Mr. Rush. The gentleman yields back. The chair now
3446 recognizes the gentlelady from New Hampshire, Ms. Kuster, for
3447 five minutes.

3448 *Ms. Kuster. Thank you, Mr. Chairman, and thank you for
3449 organizing this hearing today to discuss Federal efforts to
3450 strengthen pipeline safety and reliability.

3451 And Chairman Rush, I also want to take a moment to

3452 recognize you at this first Energy Subcommittee hearing after
3453 your recent decision to retire from Congress. You
3454 distinguished yourself over a lifetime of service to your
3455 beloved city of Chicago, and to this nation, and our country
3456 is a better place because of your commitment to racial
3457 justice and dedication to ensuring that the most vulnerable
3458 among us are not left behind.

3459 *Mr. Rush. Thank you.

3460 *Ms. Kuster. As the May 2021 Colonial Pipeline cyber
3461 attack drove home, our nation's energy system is only as
3462 reliable as the security of the digital systems that serve as
3463 the backbone for America's energy distribution. And I am
3464 pleased that the committee is reviewing the Energy Product
3465 Reliability Act, which will enhance the cybersecurity and
3466 reliability of our nation's energy infrastructure.

3467 Most Americans would be shocked to learn that the
3468 Federal Government has done little to ensure -- excuse me --
3469 that our nation's pipelines are secure. As we saw after the
3470 Colonial Pipeline cyber attack, this failure to provide clear
3471 guidance to industry has a direct impact on consumers. Up
3472 and down the East Coast, gas prices surged because of this
3473 cyber attack, and Americans were left waiting in line to fill
3474 up their cars, and paying more for the fuel they need.

3475 The results of future cyber attacks could be even worse.
3476 The North American Electricity Reliability Commission, NERC,
3477 has warned of potential winter electrical outages in New
3478 England, due to constraints on natural gas supply. If the
3479 pipeline networks that supply our region with natural gas are
3480 compromised during a cold snap, the effects on electricity
3481 generation and home heating will be immediate.

3482 Chairman Glick, what would be the effects on New
3483 Hampshire if pipelines delivering natural gas to New England
3484 were compromised by a cyber attack?

3485 *Mr. Glick. Thanks for the question, Ms. Kuster.

3486 So currently, New England is -- a significant portion of
3487 the New England electric generation facilities are fueled by
3488 natural gas. Some of them are dual-fueled, with also heating
3489 oil, for instance, or some type of oil. But a lot of them
3490 are just fueled directly by natural gas. So it is a -- I
3491 think it is, like, in the neighborhood of 18,000 megawatts,
3492 or something like that, in New England is fueled by natural
3493 gas.

3494 And so clearly, if there is a supply disruption with
3495 regard to pipelines, for instance, and those facilities can
3496 no longer run, on a very cold day, in particular in the
3497 winter, that would certainly endanger the reliability of the

3498 electric grid in New England.

3499 *Ms. Kuster. And will this bill, the Energy Product
3500 Reliability Act, improve the security and reliability of
3501 pipelines that deliver natural gas to our region?

3502 *Mr. Glick. I think establishing some sort of mandatory
3503 standards process, such as we have on the electric grid side
3504 for interstate natural gas pipelines, in my opinion, would
3505 certainly enhance the reliability of the grid, and reduce the
3506 threat of gas supply disruptions, which would also lead to
3507 electricity supply disruptions.

3508 *Ms. Kuster. Thank you. Now, switching gears, this is
3509 -- opportunity to note how clean energy resources can help
3510 support a more reliable electric system.

3511 In a hearing earlier this year, David Hardy, the CEO of
3512 Orsted America, gave testimony to this committee, where he
3513 emphasized that offshore wind turbines are built to operate
3514 reliably in extreme winter climates. During the 2018 polar
3515 vortex, when New England faced an extreme cold snap, its
3516 hydropower resources were held in reserve to back up a --
3517 energy system. And thanks to hydropower, the New England
3518 electric system stayed online.

3519 Mr. Turk, in the event a cyber attack limits natural gas
3520 supplies into New England, could a more diverse power

3521 generation portfolio, that includes clean energy resources
3522 like offshore wind and hydro, help prevent electricity
3523 shortfalls?

3524 *Mr. Turk. Well, the short answer is absolutely. And
3525 offshore wind can be incredibly important in that. Hydro can
3526 be important -- and thank you for all your leadership with
3527 the Three R's, and all your efforts on that front. We feel
3528 incredibly strongly hydro is such an important part of the
3529 equation.

3530 Storage is such an important part of the equation.
3531 Hydrogen, if we can get clean hydrogen at the volumes, we
3532 would like to get clean hydrogen.

3533 So there is a variety of diverse sources. And the
3534 infrastructure bill that was passed bipartisan from the
3535 Congress gives us new authority to try to push those out as
3536 quickly as we possibly can.

3537 *Ms. Kuster. Great. Well, I can't do better than that.
3538 Very kind kudos to our 3Rs. I call it a damn good idea.

3539 And I just use this moment to ask the chairman if we
3540 could schedule a subcommittee hearing in the Energy
3541 Subcommittee on hydro in the near future. And with that, I
3542 yield back.

3543 [Pause.]

3544 *Voice. Mr. Chairman, I think you are on mute.

3545 *Mr. Rush. I am on mute. The chair now recognizes the
3546 gentlelady from California, Ms. Barragan, for five minutes.

3547 *Ms. Barragan. Thank you, Mr. Chairman, for holding
3548 this important hearing on pipeline reliability, and for your
3549 work to elevate this issue.

3550 In the last year we have seen the consequences of our
3551 country's dependence on fossil fuels, from the gas supply
3552 issues during the Texas winter storm power outages to the
3553 hacking of the Colonial Pipeline that threatened the energy
3554 supply of parts of the Southeast and mid-Atlantic. America
3555 needs to aggressively transition off fossil fuels to clean
3556 energy for a climate, environmental justice, and our energy
3557 security.

3558 But while we work to reduce our dependence, residents
3559 and businesses can't afford the severe disruptions that can
3560 come with pipeline breaks, leaks, and cyber attacks. These
3561 disruptions also pose threats to workers in our -- to our
3562 environment and our national security. We need improved
3563 reliability, safety, and environmental standards for our
3564 pipelines, and accountability for when they are not followed.

3565 My first question is for you, Deputy Secretary Turk. In
3566 October of last year there was a major oil spill caused by

3567 the rupture of an underwater pipeline four-and-a-half miles
3568 off the coast of Long Beach, near my district. While the
3569 investigation is still ongoing, indications are a ship anchor
3570 disrupted the pipeline months before the spill was detected,
3571 and the leak could have been ongoing long before it was
3572 detected.

3573 It is also important to have reliability standards for
3574 offshore energy pipelines. Is that accurate?

3575 And how does your Department work with the Department of
3576 the Interior, which has primary jurisdiction over off-line
3577 pipelines to ensure energy security and environmental hazards
3578 such as leaks or breaks can be detected?

3579 *Mr. Turk. Well, Congresswoman, let me just completely
3580 agree with you that we have got to go very, very ambitiously
3581 and aggressively on a full, diverse range of clean energy
3582 sources good for our climate, good for affordability, good
3583 for resiliency and reliability. And at the same time, make
3584 sure that our existing energy infrastructure is secure, is
3585 safe, is reliable.

3586 We work hand in hand with the Department of the
3587 Interior, not just on the underwater pipeline issue, but a
3588 variety of other key issues, as well. And whether it is
3589 underwater pipeline or pipeline on land, certainly from our

3590 perspective, we need to have a minimum set of standards to
3591 make sure that all of our populations across the country,
3592 including those on the coast, like yours in California, are
3593 protected.

3594 *Ms. Barragan. Okay. Are there any adequate Federal
3595 standards in place to secure offshore energy infrastructure
3596 from hazards, such as leaks or breaks in offshore pipelines,
3597 that can devastate the environment?

3598 *Mr. Turk. So the chairman should certainly come in
3599 here, as well. My understanding is there is some regulatory,
3600 at least on the safety side. I think PHMSA has some
3601 coverage, but maybe it is in tandem with some other parts of
3602 Interior, as well, on this particular issue.

3603 But again, this is one thing that has come up again and
3604 again on this hearing, is avoiding a patchwork and making
3605 sure that we have got coherence. And what we focus on, from
3606 the Department of Energy side of things, is making sure we
3607 have got coherence across energy systems and across the whole
3608 parts of energy systems, in particular. And we just need to
3609 make sure that that is the case for any infrastructure-
3610 related energy, from our perspective.

3611 But Chairman, if you would like to, comment further on
3612 the existing authorities.

3613 *Mr. Glick. Thank you, Deputy Secretary.

3614 Just quickly, Congresswoman, I do believe that PHMSA has
3615 the responsibility, but also the Interior Department shares
3616 responsibility with PHMSA over the safety of those particular
3617 facilities.

3618 *Ms. Barragan. Right. Well, thank you for working for
3619 -- with the Department of the Interior to -- I believe it is
3620 important we have reliability standards so -- regardless of
3621 where the pipelines are, under water or above ground.

3622 Deputy Secretary Turk, how vulnerable are offshore oil
3623 rigs to cyber attack, and what can be done at a Federal level
3624 to improve the security of their computer systems?

3625 *Mr. Turk. So, from our perspective, what we see in
3626 classified setting and the public reporting is there is a
3627 variety of threats: criminal gangs, ransomware, and state
3628 actors, as well, across key parts of our energy
3629 infrastructure.

3630 And so offshore rigs are certainly part of the critical
3631 part of our key energy infrastructure as it currently exists,
3632 and we need to make sure they are safe, just like pipelines
3633 are safe, just like electricity is safe. So we can't have
3634 any weak links.

3635 *Ms. Barragan. Well, great. Thank you.

3636 Chairman Glick, I am out of time, but what I am going to
3637 do is submit my question on methane leaks from natural gas
3638 infrastructure to you, and we will look forward to getting a
3639 response to that.

3640

3641

3642 [The information follows:]

3643

3644 *****COMMITTEE INSERT*****

3645

3646 *Ms. Barragan. With that, Mr. Chairman, I yield back.

3647 *Mr. Rush. The gentlelady yields back. The chair now
3648 recognizes the gentlelady from Delaware, Ms. Blunt Rochester.

3649 [Pause.]

3650 *Mr. Rush. Oh, wait, wait, no. I see Mr. --

3651 [Pause.]

3652 *Mr. Upton. Mr. Chairman, we have Mr. Carter here,
3653 ready to go.

3654 *Mr. Rush. The chair now recognizes Mr. Carter for five
3655 minutes.

3656 Mr. Carter, you are recognized for five minutes.

3657 *Mr. Carter. Thank you, Mr. Chairman, and thank both of
3658 you for being here.

3659 I know that this hearing is supposed to be for pipeline
3660 reliability, but it is not often that we get the chairman of
3661 the FERC, as well as the number-two man in the Department of
3662 Energy in front of us. So instead of discussing the creation
3663 of a new level of bureaucracy for pipelines, we should be
3664 fighting the current energy crisis.

3665 Gentlemen, I want to read from the Department of
3666 Energy's website. "The mission of the Energy Department is
3667 to ensure America's security and prosperity by addressing its
3668 energy, environmental, and nuclear challenges through

3669 transformative science and technology solutions.'

3670 A year ago, the United States of America was energy
3671 independent. There are some of those who would say that we
3672 were energy dominant. We were actually exporting energy.
3673 And I would say that the Department of Energy was actually
3674 adhering to its mission pretty well at that time.

3675 You know, I am old enough to remember the late
3676 seventies, when we realized that we were too dependent on
3677 foreign countries for our energy needs, and we did something
3678 about it. We set out to achieve energy independence, and we
3679 achieved that. We did just that, to the point, as I
3680 indicated just a second ago, that we actually were able to
3681 achieve energy dominance.

3682 But today that is not the case. Energy prices have
3683 skyrocketed. The most obvious for my constituents is the
3684 prices at the pump. The Energy Information Agency has raised
3685 its outlook for gas for 2022, saying that we are at risk of
3686 hitting \$4 a gallon as a national average. AAA, last week,
3687 said that gas prices in Georgia have increased, and are
3688 nearly \$1 more than this time last year.

3689 Gentlemen, I have the honor and privilege of
3690 representing the entire coast of Georgia, including the two
3691 metro areas of Savannah and Brunswick, and they, in my

3692 district, have the average -- the highest average gas prices
3693 in the state, higher than even in the Atlanta metro area.
3694 Savannah and metro areas are -- which are in my district,
3695 these two areas are home to two of the country's busiest
3696 ports, seaports, where we have seen firsthand how the energy
3697 crisis has exasperated the supply chain crisis.

3698 American families and businesses are being crushed by
3699 expensive utility bills. Electricity is up over six percent
3700 in the last year. Natural gas is up over 25 percent. Also,
3701 energy costs are the top driver of the record inflation we
3702 see today. So families are feeling it everywhere.

3703 Deputy Secretary Turk, I want to ask you, considering
3704 the Department of Energy's mission, as I quoted before, what
3705 are you doing to ensure American energy security and
3706 affordable energy for all Americans?

3707 *Mr. Turk. So thank you for the question, and I have to
3708 say I feel incredibly proud to be part of this Department of
3709 Energy, and this Administration, and I think we are pushing
3710 all the authorities that we have, all the funding streams
3711 that we have, including 62 billion in new funding authorities
3712 that the Congress has given us through the bipartisan
3713 infrastructure legislation to build the diverse, secure,
3714 affordable, resilient energy supplies that we need in the

3715 future, not just today, but 5 years, 10 years from now, to
3716 benefit all our U.S. citizens, all our U.S. people around our
3717 country.

3718 And prices are too high right now. COVID has thrown the
3719 supply and demand for oil and gas out of whack, and we are
3720 suffering from that. We have got a near-term problem. It is
3721 not caused by pipelines, it is not caused by other things.
3722 It is caused by COVID, and we are trying to deal with that.

3723 Our strategic petroleum reserve is to try to shave that
3724 top part of that curve, as our domestic supplies, other
3725 supplies around the world for oil catch up with where demand
3726 is because we are now increasing our economy coming out of
3727 COVID, which is a great thing, but energy supplies have not
3728 matched up with that. In 2022 we will have the supplies meet
3729 the demand. We are just in a real tough spot right now. But
3730 absolutely, we are focused on affordable --

3731 *Mr. Carter. Let me ask you this, Mr. Turk. And with
3732 all due respect, you mentioned the Strategic Petroleum
3733 Reserves. Do you think it is important for the United States
3734 to maintain its energy independence?

3735 *Mr. Turk. So absolutely. And I think it should be
3736 important for Europe, for Japan, for other countries around
3737 the world.

3738 *Mr. Carter. Yes, but we are not talking about Europe
3739 and Japan. We are talking about the United States of
3740 America.

3741 I remember former Secretary of State, Mike Pompeo,
3742 saying what a great asset it was to be able to travel to
3743 other foreign countries, and know that we had energy
3744 dominance and energy independence. Yet we don't have it now.
3745 We have actually had to ask the Middle East to pump more oil
3746 in order to do it.

3747 You mentioned the Strategic Petroleum Reserves, and I
3748 know that the Administration made available 50 million
3749 barrels of oil to lower prices for Americans. How much of an
3750 effect did that release from the SPR have on oil prices?

3751 *Mr. Turk. So just to be clear, energy security is also
3752 offshore wind and solar, and wind, and storage, and --

3753 *Mr. Carter. Understood.

3754 *Mr. Turk. -- hydrogen --

3755 *Mr. Carter. That was not my question.

3756 *Mr. Turk. -- nuclear. On the SPR piece of it, what we
3757 designed was a carefully set -- a sale and an exchange, tied
3758 together for the particular moment in time we are with this
3759 supply and demand disruption.

3760 On the exchange part, what we designed that to do is

3761 shave off that top part of the curve, provide some
3762 affordability, provide some additional affordability
3763 protection for American consumers who are paying too much at
3764 the pump -- completely agree with you on that -- and the
3765 exchange means that oil and gas companies actually return
3766 more product into the SPR on the back end of this. So it is
3767 good for the SPR, good for consumers.

3768 Obviously, it is a huge oil economy, and a huge oil
3769 market out there, and there is a lot of forces outside of our
3770 immediate control. But we are doing everything we can to
3771 promote affordability --

3772 *Mr. Carter. Is that what the SPR was intended for, was
3773 to bring down prices like this?

3774 *Mr. Turk. So it is dealing with a supply challenge, a
3775 near-term supply challenge caused by COVID. And the SPR is
3776 one tool in the tool belt that I have to say we spent two
3777 more -- many months designing this particular exchange
3778 mechanism --

3779 *Mr. Rush. The gentleman's time is --

3780 *Mr. Turk. -- like it is really fit for this moment.

3781 *Mr. Carter. Thank you. My time has expired, and I
3782 yield back.

3783 *Mr. Rush. For the record, let me say that these are

3784 questions from members who have waived on to the
3785 subcommittee. And so we are now entertaining questions from
3786 those Members of Congress who waived on to the subcommittee.

3787 And with that said, the chair now recognizes the
3788 gentlelady from Texas, Mrs. Fletcher, for five minutes.

3789 Mrs. Fletcher, you are recognized.

3790 *Mrs. Fletcher. Thank you so much, Chairman Rush.
3791 Thanks to you and Ranking Member Upton for holding this
3792 important hearing, and for allowing me to participate.

3793 I would like to thank the witnesses for taking the time
3794 to testify.

3795 Energy reliability is key to ensuring safety and
3796 security of our energy supplies and our communities. In my
3797 home state of Texas we saw just last year the real-life
3798 impacts of supply disruption, the potential collapse of our
3799 grid during the coldest days of the year. And it really
3800 can't be overstated: our fellow Texans, our fellow
3801 Americans, froze to death in their homes.

3802 And I remain concerned, looking at the minimal action we
3803 have seen from state legislators and our governor, that Texas
3804 is not truly prepared for the next storm. And that is why
3805 this bill is a good starting point for a discussion on how to
3806 improve energy reliability. I think there are some

3807 improvements that can still be made, and I look forward to
3808 discussing those issues with our panelists today, and I have
3809 two issues I want to touch on in the time that I have.

3810 First, the need for developing new pipeline
3811 infrastructure. A significant energy reliability challenge
3812 is that permitting-related obstacles in some localities have
3813 prevented the expansion of pipeline infrastructure where it
3814 is needed. To my understanding, the proposed organization
3815 that we are talking about in the draft, some kind of EPRO
3816 organization, would forbid the new reliability regulator from
3817 setting standards for adequacy of pipeline infrastructure.

3818 For example, ISO New England, which operates the
3819 electric power grid in New England, states that the region is
3820 vulnerable to pipeline interruptions because there has been
3821 tremendous growth in natural gas-fired generating capacity.
3822 But the natural gas pipelines that deliver low-cost shale gas
3823 into the region have not been expanded at a commensurate
3824 pace. And in the last few weeks New England has had to
3825 resort to using fuel oil to meet their energy needs.

3826 Burning fuel oil is one of the least environmentally
3827 friendly sources of power generation. In 2020, 1 percent of
3828 power generation nationwide was from fuel oil, and in the
3829 last month, as much as 24 percent of New England's grid

3830 relied on fuel oil as a power source.

3831 So I want to ask both of our witnesses to quickly answer
3832 whether you agree with ISO New England, that more pipeline
3833 capacity is needed to promote reliability in certain regions
3834 that currently have constraints.

3835 And also, if you could, say whether you feel that a
3836 potential natural gas and pipeline reliability regulatory
3837 body, as discussed in this legislative draft, should include
3838 authority to look at pipeline capacity issues when
3839 considering overall reliability.

3840 And then I have a second issue I want to touch on, as
3841 well, so if you could answer those questions, I would
3842 appreciate it.

3843 *Mr. Glick. So, Mrs. Fletcher, if I could respond first
3844 -- this is Rich Glick -- so with regard to New England, I
3845 think the issue isn't whether they need new gas pipeline
3846 capacity. They need new capacity to get additional energy,
3847 whether it be through transmission lines or natural gas
3848 pipelines or building more generation in the region. The
3849 reason -- and FERC actually has authority to site natural gas
3850 pipelines, interstate natural gas pipelines around the
3851 country. And one of the things we have to do is find out
3852 whether -- we have to determine whether the project is needed

3853 or not before issuing a certificate to authorize the
3854 pipeline.

3855 And in New England, the issue hasn't been necessarily
3856 government stopping -- we are not permitting pipelines. The
3857 issue is pure economics. Natural gas pipeline developers
3858 don't want to build those pipelines unless the electric
3859 generator customers agree to take firm capacity, agree to pay
3860 them throughout the year for the pipeline capacity. But in
3861 fact, they only need the gas maybe 10 days out of the year,
3862 when it is really cold. And so there has been a kind of a
3863 two ships passing in the night situation, really, with regard
3864 to electric generators and natural gas pipelines, which is
3865 why natural gas pipeline capacity hasn't been built in New
3866 England.

3867 With regard to the provision in H.R. 6084, it is very
3868 similar to a provision that was in the electricity
3869 reliability language that was enacted in 2005, essentially
3870 forbidding NERC to order electric generating -- electric
3871 utility companies from building electric transmission
3872 capacity. And so I think there is an issue about usurping
3873 jurisdiction, usurping the state's jurisdiction to tell the
3874 utilities to build pipelines, or build local distribution
3875 facilities. So it is really more of a jurisdictional issue

3876 as to who should have that responsibility to build pipeline
3877 capacity when it is needed.

3878 *Mr. Turk. In the interest of time, let me just agree
3879 with the chairman. And certainly, New England is very
3880 complicated, but we need to work with our state and local
3881 utility and other colleagues to try to bring some fixes
3882 there, because it is just not right for the consumers who
3883 face those kind of prices and challenges.

3884 *Mrs. Fletcher. Well, thank you for that quick answer.
3885 The five minutes does go quickly, so I will submit my second
3886 question for the record. But what I would like to know from
3887 you is whether a proposed reliability regulator should
3888 include a focus on issues at the wellhead, like we saw in
3889 Texas during Winter Storm Uri. I will submit that for the
3890 record.

3891 [The information follows:]

3892

3893 *****COMMITTEE INSERT*****

3894

3895 *Mrs. Fletcher. And Mr. Chairman, with that question, I
3896 have cited an article from Texas Monthly that Ms. Castor
3897 referenced earlier in the hearing. I would love to seek
3898 unanimous consent to -- this Monthly article into the record
3899 for this hearing.

3900 But thank you again for letting me participate, and I
3901 yield back.

3902 *Mr. Rush. Without objection, so ordered.

3903 [The information follows:]

3904

3905 *****COMMITTEE INSERT*****

3906

3907 *Mr. Rush. That concludes the witness --

3908 [Audio malfunction.]

3909 *Mr. Rush. -- our witnesses here participating in
3910 today's hearing.

3911 I want to at this time remind members that, pursuant to
3912 -- they have 10 days to submit additional questions for the
3913 record. Answers by the witnesses -- I ask each witness to
3914 respond promptly to such questions that you may receive.

3915 Before we --

3916 [Audio malfunction.]

3917 *Mr. Rush. I request unanimous consent to enter into
3918 the record the following --

3919 [Audio malfunction.]

3920 *Mr. Upton. Mr. Chairman, we have seen the list, and we
3921 have no objection.

3922 *Mr. Rush. All right. Without objection, so ordered.

3923 [The information follows:]

3924

3925 *****COMMITTEE INSERT*****

3926

3927 *Mr. Rush. And at this time the subcommittee stands
3928 adjourned.

3929 [Whereupon, at 1:56 p.m., the subcommittee was
3930 adjourned.]