

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Ranking Member Frank Pallone, Jr.

Hearing on “Oversight Of FERC: Adhering to a Mission of Affordable and Reliable Energy for America”

June 13, 2023

I thank each of the Commissioners for being here today, and for their important work at the Federal Energy Regulatory Commission (FERC).

It’s unfortunate that the Commission only has four commissioners right now. I believe FERC is at its best when it has a full complement of five commissioners. And I was disappointed that the Senate was unable to confirm former Chair Richard Glick to another term on the Commission last year. I urge the White House to nominate a fifth commissioner and for the Senate to confirm that nominee as soon as possible.

FERC’s work is vital in ensuring that every American has access to reliable and affordable energy. The Commission’s activities also have an outsized impact in the communities that play host to natural gas pipelines it authorizes and hydropower dams that it licenses. In particular, natural gas pipeline projects impact both the local environments that they run through and the national environment with the greenhouse gas emissions they emit.

That is why Ranking Member DeGette and I wrote to Chairman Phillips last week urging that FERC incorporate environmental justice principles into its decision-making. Under the leadership of Chairman Phillips and former-Chairman Glick, the Commission has already taken a number of vital steps on environmental justice. The Commission has issued its first-ever Equity Action Plan, and finally established its Office of Public Participation – something I have long advocated. These are important first steps but additional action is necessary.

Last year, FERC issued two important policy statements that would guide its authorizations of natural gas projects. The first statement would have created a new framework to help guide the Commission in determining whether or not a project is “in the public convenience,” as required by the Natural Gas Act. The second would have clarified how FERC assesses the impacts of greenhouse gases emitted as a result of a potential natural gas pipeline. I was pleased by both of these policy statements but was disappointed when they were downgraded to draft status a year ago and that the Commission has yet to return to them.

I want to be clear – FERC must consider environmental justice factors when making its public convenience determination under the Natural Gas Act. Furthermore, greenhouse gas emissions, and critically, the consequences from those emissions, are absolutely “reasonably foreseeable environmental effects” under the National Environmental Policy Act (NEPA). The D.C. circuit made this clear two years ago in its decision in *Vecinos v. FERC*.

Downgrading the policy statements to draft status does nothing to relieve FERC of its obligations under the Natural Gas Act or NEPA. However, the policy statements did offer much needed clarity on how the Commission would consider those issues, clarity that has now been stripped away, leaving communities and industry in the dark. I urge all of you to act on finalizing the two policy statements as soon as possible.

Turning to electricity markets, it has been roughly 25 years since FERC issued Order 888 to bring competition to electricity markets across the country. I was skeptical at first, but the developments of the last 25 years have made clear that power markets have promoted competition that has lowered prices and made the grid cleaner, all while ensuring a reliable bulk power sector. To be sure, there are issues – especially at PJM, the electricity market that covers New Jersey and several other Mid-Atlantic states. But in looking at reforms to keep these markets viable and reliable, we should not throw out the progress we've made in lowering costs for consumers. A competitive electricity market has typically been a bipartisan issue in Congress and at FERC, and I hope that continues.

Finally, I want to briefly address three key proposed rulemakings on transmission that are outstanding at FERC. These rulemakings will be vital to electricity reliability over the next decade as we work to move clean energy generation from sunny and windy areas to population centers. I urge FERC to finalize strong versions of all three rules promptly.

Today we will hear about the reliability challenges our nation is facing – largely caused by extreme weather events fueled by the worsening climate crisis. But if we want to be serious about addressing reliability issues, then we should be serious about having a more interconnected grid. This will ensure that different parts of the country not in a crisis at a given time can help by sending power to regions that are struggling. An interconnected grid will result in better reliability, increased affordability, and access to cleaner electricity. That's an across-the-board win for Americans, and I expect that FERC will do its part to ensure that our nation's grids are sufficiently connected.

With that, I am looking forward to this hearing, and yield back the balance of my time.