

Opening Statement
Chairman Frank Pallone, Jr.
Committee on Energy and Commerce
Subcommittee on Energy
Hearing on “Modernizing the Natural Gas Act to Ensure it Works for Everyone”
February 5, 2020

Today’s hearing is long overdue. For the first time in many years, the Committee will take a broad look at the Natural Gas Act and how the Federal Energy Regulatory Commission (FERC) implements its many provisions, not just those dealing with infrastructure permitting and siting.

It has been too long since this Committee explored pricing and what consumers pay for natural gas. Customers have little recourse to request refunds for any “overpayments” they make. Meanwhile, pipelines get to use certain pricing provisions in the law to thwart the inadequate consumer protections in other parts of the Act. Representatives Butterfield and Long have introduced bipartisan legislation to help address this problem. They propose a simple revision to the Natural Gas Act mirroring the refund authority for electric customers in the Federal Power Act. I commend them for their important efforts to protect consumers.

Of course, it is impossible to ignore the issue of pipelines, their placement and impact on climate change and landowners. FERC has done itself no favors by taking actions that have stoked the controversy surrounding these matters.

Last week, Chairmen Rush, Tonko and I released the CLEAN Future Act, our bold climate plan to achieve a 100 percent clean economy. That bill makes clear that FERC should be considering the climate impacts of pipeline proposals. This is necessary because several Commissioners still act as if FERC need not consider climate change as part of its public interest determination. They are essentially ignoring the court’s decision in the Sabal Trail case that specifically told FERC to look at greenhouse gas emissions. FERC isn’t even considering climate in its National Environmental Policy Act reviews. It is alarming that FERC looks at all other environmental impacts of pipeline projects yet refuses to take climate change seriously.

The Natural Gas Act provisions in the CLEAN Future Act also highlight the need for a regional review of pipeline projects. FERC must take a more holistic view of the pipeline infrastructure already serving particular regions in order to determine whether new infrastructure is truly needed. I am concerned FERC is simply approving duplicative pipelines, with 60-year lifespans, under the guise of “market need” even when those pipelines are not really necessary.

The Atlantic Coast and Mountain Valley pipeline projects clearly illustrate the need for regional review. Both pipelines cross roughly the same areas in the mid-Atlantic region and, in some instances, impact the same communities and landowners. Why do we need that duplication? And while work on both pipes has been halted, much of the land damage has already been done because FERC allowed these duplicative projects to begin construction.

Last week, just after we announced this hearing, FERC announced it was creating a new division to expedite landowner-related pipeline appeals, known as rehearings. Now, that sounds good, but we’ll have to see if FERC is really getting the message. The fact is FERC’s process for

siting and constructing interstate pipelines is not working – especially for landowners. FERC should ensure a fair and equitable process for those seeking to protect their property, but the current process really only considers the needs of pipeline companies.

Today we will also discuss issues surrounding eminent domain. FERC recently put forward a declaratory order supporting the use of eminent domain to take state-owned lands for PennEast, a proposed pipeline between Pennsylvania and New Jersey. For an independent regulatory agency to help a private party seize state lands to build a pipeline is as wrong as it is bizarre. FERC should leave the constitutional question on state sovereign immunity to the courts instead of pushing the Trump Administration fossil fuel agenda.

Before I yield back my time, I want to welcome Representative Lizzie Fletcher of Texas, who has tremendous knowledge of the industry. Thank you for joining us this morning. I also want to insert for the record a letter from the Industrial Energy Consumers of America highlighting several critical issues, including pricing, reliability and the need for greater scrutiny of natural gas exports to ensure they serve the public interest.

Thank you.