



COMMITTEE ON DEMOCRATS
ENERGY & COMMERCE
RANKING MEMBER FRANK PALLONE, JR.

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Statement of Ranking Member Frank Pallone, Jr.
Committee on Energy and Commerce
Subcommittee on Energy and Power
Hearing on “Discussion Drafts Addressing Hydropower Regulatory
Modernization and FERC Process Coordination under the Natural Gas Act”

May 13, 2015

Mr. Chairman, as I’ve said before, the reality of the energy picture in the United States is changing rapidly. As the Committee of jurisdiction over national energy policy, it is eminently reasonable and appropriate for the Committee to look closely at our new energy reality. So much has changed since the House last considered an energy bill, and it is our responsibility to carefully consider proposals to help us develop the energy policies of the future.

Two weeks ago, I expressed concern cramming two completely unrelated subjects into a single, two panel hearing. And again, we are here examining two subjects –natural gas pipeline permitting and hydroelectric licensing–that are important and warrant, not only separate legislative hearings, but they also should be preceded by thorough oversight.

It has been years, and in the case of hydroelectric licensing an entire decade, since this Committee has conducted oversight of either of the programs these drafts aim to reconfigure.

From my perspective, this Committee should not be writing legislative solutions before Members have a chance to examine the state of play, or even confirm that a problem actually exists.

While hydroelectric power can be an important source of no-emission baseload generation, it also potentially poses major harm to fish and wildlife populations, water quality, and other important resources. Hydroelectric power depends on rivers for fuel and those rivers belong to all Americans, not just those who sell or buy the power generated from it. The Federal Power Act requires FERC to balance those competing interests in issuing a license because no one use of a river—power, drinking water, irrigation, recreation, or other use—should automatically take precedence. For instance, if the license might impact a protected resource, such as a Wild and Scenic River, a National Wildlife Refuge or National Park, then the appropriate federal agency responsible for that resource can put conditions on the license to ensure the resource is protected.

Unfortunately, the draft proposal before us completely throws out decades of policy and case law in one fell swoop. There is nothing subtle about the draft's changes: it undermines the key provisions of current law that exist to conserve our natural resources and protected areas and ensure a balanced approach to the use of our nation's rivers. This legislation only promising

greater confusion, time consuming litigation, and exacerbated and unnecessary delays of hydropower licenses.

I sincerely hope the majority will consider holding proper oversight hearings to inform Members and help facilitate constructive discussions on hydropower reform.

With regard to the natural gas pipeline siting legislation, like the previous iterations of this bill, the draft is yet another solution in search of a problem. According to FERC, more than 91% of pipeline applications are reviewed within one year. That is pretty remarkable. And GAO concluded that the current FERC pipeline permitting process is predictable, consistent and gets pipelines built. We have even heard pipeline companies testify that the process is generally very good.

This legislation is unnecessary and would disrupt a perfectly functioning permitting process. Instead, it imposes a laundry list of prescriptive, duplicative, and potentially harmful requirements on FERC and every agencies involved in the permitting process. This would only slow down, rather than speed up, the approval of interstate natural gas pipelines.

The draft positions FERC as a “policing” agency, charged with micromanaging other agencies consideration of an application, even determining the scope of their environmental review. FERC doesn’t have the expertise or resources to make such decisions.

And possibly more problematic, the draft purports to address this resource issue by allowing applicants to provide extra funding for FERC staff or contractors, to aid in the speedy review of pipeline applications. This provision is troublesome, and could lead to inappropriate relationships between applicants and FERC staff.

Mr. Chairman, I can't support either of the drafts before us today, and I urge the majority to rethink their proposals. Instead I'd like to work with you on energy legislation that benefits consumers as well as producers, promotes American jobs, protects our environment, and builds upon past successes to propel us into a better future.

Thank you.