



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

**FOR IMMEDIATE RELEASE**

April 17, 2018

**CONTACT**

[CJ Young](#) – (202) 225-5735

## **Pallone's Remarks at FERC Budget Oversight Hearing**

**Washington, D.C.** – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Energy hearing on "Federal Energy Regulatory Commission Oversight and the FY2019 Budget."*

I am pleased that there is finally a full slate of five Commissioners at FERC. Last year, I voiced my concern that a lot of important work was put on hold for an extended period of time because the Commission lacked a quorum. It is a pleasure to have all five of you here with us today.

First, I would like to thank the Commission for its decision to reject Secretary Perry's Notice of Proposed Rulemaking to provide cost recovery for certain coal and nuclear facilities that are no longer economical. This proposed rule was a threat to competitive electricity markets, and would have led to higher energy prices for consumers. With Secretary Perry's proposed rulemaking now behind us, we must turn our attention to the feedback the Commission receives from the Regional Transmission Organizations (RTOs) as it relates to current resiliency risks.

I would also like to touch briefly on FERC's authority to review applications for the construction of interstate natural gas pipelines. For years, I have expressed concern with the process FERC uses to review pipeline applications and its tendency to greenlight the construction of potentially unnecessary pipeline projects. Overbuilding our natural gas pipeline system has many negative impacts on the public. Ratepayers ultimately foot the bill for the construction of these pipelines whether they are necessary or not. Homeowners in the path of the pipeline also have little recourse to stop pipeline companies from seizing their land through eminent domain.

It is time for a new approach. I believe a more regional review of these projects should be implemented rather than the current process where every pipeline appears to be reviewed individually, without any consideration of other pipelines in the area. I was encouraged by Chairman McIntyre's announcement in December that FERC will review its 1999 Pipeline Policy Statement. I hope this review leads to a new pipeline policy that provides greater

---

protections to property owners and a more holistic review process that looks at all pipelines in a given region.

I have also heard from many property owners and advocacy groups that FERC is not nearly responsive enough to the public. More needs to be done at the Commission to provide a greater role for the general public in the FERC process. My colleague, Representative Schakowsky, has introduced a commonsense bill that would create an Office of Public Participation and Consumer Advocacy at FERC. Such an office would provide an important resource for everyday citizens who typically lack the ability to navigate the complex FERC process.

Finally, I would like to address FERC's grid storage order, Number 841, which was issued in February. I have long advocated for finding ways to introduce more distributed energy and energy storage into our electric grid, and removing the many barriers preventing storage benefits from reaching consumers. I am fully aware that there are some technical challenges that grid operators and utilities will have to overcome, but it can be done. I am pleased that FERC has directed the RTOs to evaluate how storage can add value to our electricity markets.

I'd like to conclude by welcoming you all here today. Thank you.

###

---

[democrats-energycommerce.house.gov](https://democrats-energycommerce.house.gov) | [Twitter](#) | [Facebook](#) | [Instagram](#) | [YouTube](#) | [Flickr](#)