



Opening Statement
Oversight of the Federal Energy Regulatory Commission
Chairman Lisa Murkowski
June 12, 2018

Good morning, everyone. The Committee will come to order as we meet to conduct oversight of the Federal Energy Regulatory Commission, the FERC.

I welcome each of you this morning, I just noted that it is exceptionally good to see five – for a while, too long, FERC was down in numbers. Commissioner LaFleur, you certainly knew that full-well, but again, the rest of you thank you for joining us this morning.

In the late 1970s, this Committee was re-constituted with a renewed focus on energy. Shortly thereafter, Congress established the Department of Energy and transformed the old Federal Power Commission into what we now call the FERC. Our predecessors invested our committee with jurisdiction over national energy policy, including both the Department of Energy and FERC. This complemented our historic role as the stewards of the laws that govern our nation’s lands and the Department of the Interior.

At the time, there was a strong preference for a “wide area” view of the energy and resources landscape and a balanced approach to energy law and regulation – I think that remains a good idea today. After all, energy affects the life of every American. Our security, wealth, and capacity for innovation all depend on affordable and reliable energy. And our laws and regulations bear directly on the ability of the energy sector to serve our nation.

During my tenure here, we’ve had more than a few hearings where we have heard from FERC’s Chairman or one of its members. But it has been about a decade now since we convened a formal oversight hearing with all five Commissioners testifying. So this is somewhat significant this morning, it’s perhaps not as significant as the Caps parade going on down the street, but I think it is significant nonetheless.

With a quorum restored last year, four new Commissioners serving, and a host of consequential issues in the news, this is a good moment to review where FERC is headed. We’re fortunate to have the Chairman and all of the Commissioners here to take part in the discussion. Because the five of you are so well known to us here on the Committee, I will simply welcome you and thank you all for being here.

Your testimony touches on several critical issues that are of particular interest.

First, if we are going to remain a prosperous nation with strong growth and affordable energy, we need our interstate pipeline network and LNG facilities to continue to meet customer demands for natural gas. This resource serves a variety of increasingly critical needs – ranging from keeping us warm, to enabling our manufacturing renaissance, and, increasingly, to fueling the electric grid. LNG exports from states like mine, Alaska, represent a significant economic opportunity for many states, scores of communities, and – looking abroad – America’s friends and allies.

Second is whether, and if so *how* and *when*, the Commission will act decisively to address fast-moving changes in the mix of generating plants on the bulk power system. I have my concerns with the steps the Department of Energy is reported to be considering, but also recognize they are trying to fill a perceived vacuum. In my view, FERC should be pointing the way on policy improvements that address grid vulnerabilities, while reaffirming our commitment to competition in wholesale power markets. Frankly, as one who has been concerned about this issue for years now, I find it unfortunate that prior Commissions did not lead more effectively.

We must increase the light and lower the heat in policy debates about price formation, state resource preferences, and subsidies. Is it possible for market participants and regulators to step back and determine whether transparent, workable adjustments can be made to the thousands of pages of tariffs that administer the market mechanisms that have, in the main, proven themselves effective over the last 20 years or so? And, equally important, can the Commission take steps soon enough to make any necessary adjustments or, alternatively, to pronounce definitively that adjustments are not needed? Again, as both individuals and as a Commission, it is critical for you all to engage.

Third is whether there are modifications to regulations or, if necessary, laws that govern FERC-jurisdictional hydroelectric facilities or qualifying facilities under PURPA that should be aligned more closely with today’s energy realities.

Fourth on my list, but certainly not least among my concerns, are the security issues – very, very important. That includes cybersecurity, clearly a top priority for us all, given all the attacks and breaches that we are seeing. It also includes the FERC policies that bear on the physical security of energy facilities, such as the Commission’s requirements related to Critical Energy Infrastructure Information.

So Mr. Chairman, Commissioners, thank you again for being here this morning. Thank you for the work that you do. As we review FERC’s regulatory program before the Committee and how it is working, again we appreciate your contributions at so many different levels. We have a number of substantive issues to discuss this morning, and I look forward to the conversation. Senator Cantwell?

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