

# **FERC HEARING**

**Tuesday, September 28, 2021**

## **Chairman Senator Joe Manchin Opening Statement**

- The Committee will come to order.
- I am pleased to be joined by all four of our sitting Federal Energy Regulatory Commissioners this morning.
- Thank you all for being here to discuss the work of the Commission.
- As you've all heard me say before, the best FERC is a fully seated FERC, and I'm looking forward to quickly holding a hearing on Willie Phillips, President Biden's nominee to fill the vacant seat on the Commission, once we've received all the necessary paperwork.
- Now, although we had some of you before the Energy Committee fairly recently as nominees, it's been over three years since we've had the full Commission appear together before the Committee.
- This morning I look forward to hearing how the Commission is working through our nation's important energy challenges.
- And at the core, those issues are all balanced against affordability and reliability of electric service for Americans and businesses.
- I was pleased to see that FERC and the North American Electric Reliability Corporation – or NERC – released their preliminary report last week focused on the electric grid catastrophe suffered by millions of customers in Texas and other states last winter.
- I know there will be a great deal of interest in what corrections are needed to avoid these types of massive outages in the future.
- The energy mix has been and is continuing to undergo a transition due to market forces and weather patterns are changing, and we'd all

better focus on solving for the challenges come with this ongoing transition.

- A common theme in recent events - from the extreme heat in California in August 2020 or the extreme cold around the country last winter - is a failure to plan for adequate energy resources in the context of these changing weather patterns and generation portfolios.
- Having reliable power is not a *nice-to-have* for a superpower economy. We have to get this right. But we have to balance the cost of reliability and resilience with affordability because affordability is also not optional.
- There is wide agreement that we need to address climate change but less agreement on how, how fast, and at what cost.
- In my view the only way to do it without sacrificing reliability and affordability is with policies that spur innovation, not elimination.
- It makes no sense to take tools out of the toolbox because we know that none of these energy resources are 100% immune to weather disruptions, whether that be freezing wind turbines, disruptions to our natural gas production and delivery systems, or frozen coal stockpiles – all of which we saw happen last winter.
- We have to maintain a diverse and reliable energy mix with the technologies necessary to reduce emissions.
- Because when the sun sets in the middle of a regional heat wave, people expect grid operators and utilities to have firm generation ready to go – be that energy storage or natural gas.
- As we all know, FERC has a very important role in regulating natural gas markets and the infrastructure that's needed to move natural gas safely and efficiently.

- We have natural gas to thank for the lion's share of the decarbonization we've seen in the power sector over the last 20 years and natural gas has helped manage prices and reliability.
- We have vast reserves of this commodity right in our backyard that can continue to support our energy independence. In 2019, the Appalachian basin alone produced an estimated 11.5 trillion cubic feet of natural gas helping America become a net energy exporter for the first time in 67 years.
- However, moving this gas to market safely and efficiently is a necessity, and in order to do that, we need to smartly expand the country's natural gas infrastructure system.
- According to regulators, pipelines have a 99.999% safety record making them the safest mode of energy transportation.
- I believe that natural gas has an important role in the energy transition and we need to ensure an efficient, predictable permitting process for pipelines.
- Congress expects FERC to update and revise its policies and practices in response to new facts and new technologies and certainly court decisions, of course. But that's while following current law and current policies and processing application reviews expeditiously.
- I look forward to discussing how the Commission is balancing the need for updates with an obligation to industry to provide fair and timely review of permit applications.
- With that, I turn to Senator Barrasso, for his opening remarks.