

SECURING OUR ENERGY INFRASTRUCTURE: LEGISLATION TO ENHANCE PIPELINE RELIABILITY

HYBRID HEARING BEFORE THE SUBCOMMITTEE ON ENERGY OF THE COMMITTEE ON ENERGY AND COMMERCE HOUSE OF REPRESENTATIVES ONE HUNDRED SEVENTEENTH CONGRESS SECOND SESSION

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² The information has been retained in committee files and also is available
at <https://docs.house.gov/meetings/IF/IF03/20220119/114286/HHRG-117-IF03-20220119-SD004.pdf>.

SECURING OUR ENERGY INFRASTRUCTURE: LEGISLATION TO ENHANCE PIPELINE RELI- ABILITY

WEDNESDAY, JANUARY 19, 2022

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ENERGY,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:33 a.m. in the John D. Dingell Room 2123, Rayburn House Office Building, and remotely via Cisco Webex online video conferencing, Hon. Bobby Rush (chairman of the subcommittee), presiding.

Members present: Representatives Rush, Peters, Doyle, McNerney, Tonko, Veasey, Schrier, DeGette, Butterfield, Matsui, Castor, Welch, Schrader, Kuster, Barragán, Blunt Rochester, O'Halleran, Pallone (ex officio); Upton (subcommittee ranking member), Latta, McKinley, Kinzinger, Griffith, Johnson, Bucshon, Walberg, Duncan, Palmer, Lesko, Pence, Armstrong, and Rodgers (ex officio).

Also present: Representatives Fletcher, and Carter.

Staff Present: Waverly Gordon, Deputy Staff Director and General Counsel; Tiffany Guarascio, Staff Director; Perry Hamilton, Clerk; Rick Kessler, Senior Advisor and Staff Director, Energy and Environment; Mackenzie Kuhl, Press Assistant; Tyler O'Connor, Energy Counsel; Lino Pena-Martinez, Policy Analyst; Kaitlyn Peel, Digital Director; Kris Pittard, Policy Coordinator; Chloe Rodriguez, Clerk; Andrew Souvall, Director of Communications, Outreach, and Member Services; Caroline Wood, Staff Assistant; Tuley Wright, Senior Energy and Environment Policy Advisor; Michael Cameron, Minority Policy Analyst; Emily King, Minority Member Services Director; Mary Martin, Minority Chief Counsel, Energy and Environment; Brandon Mooney, Minority Deputy Chief Counsel for Energy; and Peter Spencer, Minority Senior Professional Staff Member, Energy.

Mr. RUSH. The Subcommittee on Energy will now come to order.

Today the subcommittee is holding a hearing entitled, "Securing our Infrastructure: Legislation to Enhance Pipeline Security."

Due to the COVID-19 public health emergency, members can participate in today's hearing either in person or remotely, via online video conferencing.

Members, staff, and members of the press present in the hearing room must wear a mask, in accordance with the updated guidance issued by the attending physician's office.

For members participating remotely, your microphones will be set on mute for the purpose of eliminating inadvertent background noise. Members participating remotely will need to unmute your microphone each time you wish to speak.

Please note that, once you unmute your microphone, anything that is said in Webex will be heard over the loudspeakers and in committee room, and is subject to being heard by livestream and CSPAN.

Since members are participating from different locations at today's hearing, all recognitions of members, such as for questions, will be in the order of subcommittee seniority.

Documents for the record can be sent to Lino Pena-Martinez at an email address that we provided to staff. All documents will be entered into the record at the conclusion of today's hearing.

And I want to recognize myself for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. BOBBY RUSH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Again, good morning, all. I want to begin by acknowledging what an honor, a distinct honor, it has been for me to chair this subcommittee the past three years. And I wish to thank all of you for reaching out to me with well wishes following my recent announcement that I would not seek re-election. It has been a real honor to serve with such a fine assortment of geniuses on both sides of the aisle, and I want you to know that we are not done yet. The best is yet to come.

I look forward to continuing to work with all of you in this last year of the 117th Congress to continue to advance legislation that will help all Americans, from Appalachia to Alaska, from New Hampshire to Hawaii, and all the in between.

Turning to the topic that is before us today, I want to thank everyone that is on this call, that is on—in this hearing. I want to thank you this morning for joining us for this vital hearing on enhancing the reliability of our energy infrastructure, and my Energy Product Reliability Act.

The energy system that 330 million Americans depend upon for heat, electricity, and transportation is only as strong as its weakest link. And unfortunately, last year, Texas—in Texas we saw this firsthand, when our natural gas infrastructure failed, leaving 4.5 million Americans without power, and costing over 100 Americans their lives.

While the electric wires that bring Americans power across the nation are subject to reliability standards set by NERC, no such standards exist for pipelines. All Americans deserve reliable access to energy, and they need to know that the pipelines that deliver that energy are dependable.

To achieve this goal, we must work together once again, just like we did in 2005, when we wrote and passed the Energy Power [sic] Act. The provisions of that legislation established electricity—electric reliability standards that have worked well. And with them we began the work of ensuring that the electric system that Americans depend upon is reliable. My bill continues that effort.

And I want to stress this point: my legislation accompanying this bill is not final. It marks the beginning of the legislative process, and certainly not the end.

I look forward to hearing what our witnesses today have to say on the bill, and I welcome any constructive suggestions from all members of this subcommittee.

To my Republican friends specifically, I want to emphasize that electricity reliability is an issue that we are all concerned about. For this reason, my staff and I are ready to work hand-in-hand with you. We are open to your suggestions on the best pathway forward.

With that, I look forward to today's hearing and discussion.
[The prepared statement of Mr. Rush follows:]

PREPARED STATEMENT OF HON. BOBBY A. RUSH

Committee on Energy and Commerce

Opening Statement as Prepared for Delivery
of

Subcommittee on Energy Chairman Bobby L. Rush

Hearing on “Securing our Energy Infrastructure: Legislation to Enhance Pipeline Reliability”

January 19, 2022

Good morning, everyone. I want to start by acknowledging what an honor it has been for me to chair this Subcommittee the past three years and to thank those of you who reached out with well-wishes following my recent announcement that I will not seek reelection. It has been an honor to serve with such fine colleagues on both sides of the aisle, and I want you to know that I’m not done yet! I look forward to continuing to work with all of you in this last year of the 117th Congress to continue to advance legislation that will help all Americans.

Turning to the topic before us today, I would like to thank everyone for joining us this morning for this vital hearing on enhancing the reliability of our energy infrastructure and my Energy Product Reliability Act.

The energy system that 330 million Americans depend upon for heat, electricity, and transportation is only as strong as its weakest link. And unfortunately, a year ago in Texas, we saw this first-hand when our natural gas infrastructure failed, leaving 4.5 million people without power and taking over 100 lives.

While the electric wires that bring Americans power across the country are subject to reliability standards set by NERC (*pronounced nurr-k*), no such standards exist for pipelines. All Americans deserve reliable access to energy; and they need to know that the pipelines that deliver that energy are dependable. To achieve this goal, we must work together once again, just like we did in 2005 when we wrote and passed the Energy Policy Act. The provisions of that legislation that established electric reliability standards have worked well, and with them, we began the work of ensuring that the electric system that Americans depend upon is reliable. My bill continues that effort.

I want to stress — my legislation accompanying this hearing is not final. It marks the *beginning* of the legislative process, not the end. I look forward to hearing what our witnesses today have to say on the bill, and I welcome any constructive suggestions from all Members of this Subcommittee. To my Republican friends specifically, I want to emphasize that electricity reliability is an issue we’re all concerned about. For that reason, my staff and I stand ready to work hand-in-hand with you. We are open to suggestions on the best pathway forward.

With that, I look forward to this morning’s hearing and discussion, and I am delighted to recognize my friend, the Ranking Member from Michigan, Mr. Upton, for five minutes to make an opening statement.

Mr. RUSH. I am delighted to recognize my distinguished friend from the great state of Michigan, Mr. Upton, for 5 minutes for an opening statement.

Mr. Upton, you are recognized.

OPENING STATEMENT OF HON. FRED UPTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. UPTON. Well, thank you, my friend, Mr. Chairman. And we are glad that you have recovered from your COVID that you had over the holidays. We are glad to see you in person.

And as it relates to your announced departure at the end of the year, you have had a lot of fine chapters in your life, and we know that this is not the last one. You have got a great book, and we are all proud to be your friend, and know that you have got future chapters ahead of you.

I want to thank our witnesses for appearing before this subcommittee to provide their testimony today.

Welcome back, Chairman Glick. It is nice to have you here again.

And a special welcome to Deputy Secretary Turk, to your first Energy and Commerce hearing. I look forward to working closely with you in your new role at DoE.

You know, I know that many of us are deeply concerned about the direction of our country under this President's leadership. We all saw the economic report last week. Consumer prices and inflation rose seven percent in December, the highest rate in 40 years. We have got labor shortages in every sector, supply chain disruptions impacting the entire economy. Energy prices are soaring to a seven-year high, and American families, indeed, are suffering. This Administration's anti-fuel—fossil fuel agenda is directly contributing, I believe, to record-high gas prices and soaring utility bills, as winter heating season is now upon us.

The Administration's response to surging inflation and sky-high energy bills is to shut down critical pipelines like Keystone XL about a year ago. And, for Michigan, potentially Line 5, a ban on drilling on Federal lands. Forcing Americans to buy more expensive and less reliable electric cars and appliances are not really solutions.

Two weeks ago, a brutal winter storm hit the East Coast. Half a million folks lost their electricity. Hundreds of drivers were stranded, maybe thousands got stranded on freezing roads overnight. Just think what would have happened, think of the people who could have died if all the cars were electric, and people couldn't use natural gas to heat and cook?

If it is not already clear to everyone, we rely on fossil fuels. Their day is not over. Simply put, the Fantasyland Green New Deal agenda of offshore wind farms, rooftop solar, and electric batteries are not going to cut it.

The topic of this hearing is completely off base, out of touch with the realities facing America today. We need real leadership from the Administration and the Democratic majority. America is facing an economic crisis, an energy crisis, and the majority has yet to schedule a legislative hearing on a bill to increase energy prices further and eliminate fossil fuels by shutting down pipelines.

The bill today that we are going to be talking about is a sweeping power grab, preempting states and local jurisdictions from regulating all types of energy infrastructure. From the oil and natural gas wells, to the gas stations where Americans fill up, to the appliances in their homes, this bill would dramatically expand FERC, transforming a relatively tiny agency into a behemoth with regulatory powers over America's energy system.

We are not just talking about interstate pipelines and the bulk power system that crosses state lines. This bill would impose new Federal taxes, fees, regulations on all energy in the country. Americans are not asking for that bill.

So, with unanimous consent, I would like to enter into the record a letter from state regulators and the people who deliver energy to homes and businesses, without objection, I would hope. The letters lay out specific concerns with the legislation, concerns that I believe are shared by many members of this committee on both sides of the aisle.

Mr. Chairman, respectfully, I would argue that we should focus our efforts on a bipartisan bill, H.R. 3078, the Pipeline and LNG Facility Cybersecurity Preparedness Act. We introduced this bill in response to the Colonial Pipeline attack last year. We still have important work to do to get the bill across the finish line.

In October of last year, Republicans on this committee wrote to Secretary Granholm to conduct oversight of DoE's handling of the energy crisis. We also wrote to Chairman Pallone, requesting a hearing to investigate how the Administration's actions are contributing to energy price increases. Everyone knows energy prices are the number-one issue right now, the highest prices in seven years. Yet the majority has not scheduled a hearing.

I would use today's hearing to confront the real issues facing Americans. What is the Administration doing to slow inflation and lower gas prices? Why is the President asking Russia and OPEC to pump more oil, while putting American energy workers out of a job? And why is FERC delaying permitting decisions on critical natural gas pipelines that would improve grid reliability and lower utility bills for every American? Those are the questions on the minds of Americans. They deserve the attention of the committee.

And with that, I yield back the balance of my time.

[The prepared statement of Mr. Upton follows:]

PREPARED STATEMENT OF HON. FRED UPTON

**Opening Statement of Republican Leader Fred Upton
Subcommittee on Energy
Legislative Hearing on “Securing Our Energy Infrastructure: Legislation to
Enhance Pipeline Reliability”
January 19, 2021**

As Prepared For Delivery

Thank you, Mr. Chairman. And thank you, to our witnesses, for appearing before the Subcommittee to provide your testimony. Welcome back, Chairman Glick, it's nice to have you here again. And special welcome, Deputy Secretary Turk, to your first Energy and Commerce Committee hearing. We look forward to working closely with you in your new role at the Department of Energy.

I am deeply concerned about the direction of our country under President Biden's leadership. We all saw the economic report last week; consumer prices and inflation rose to 7% in December, the highest rate in 40 years. We have labor shortages and supply chain disruptions impacting the entire economy. Energy prices are soaring to seven-year-highs and American families are suffering. The Biden Administration's anti-fossil fuel agenda is directly contributing to record high gas prices and soaring utility bills as the winter heating season is upon us.

The Administration's response to surging inflation and sky-high energy bills is to shutdown critical pipelines like Keystone XL and potentially even Line 5, ban

drilling on Federal lands, and force Americans to buy more expensive and less reliable electric cars and appliances. These are not real solutions.

Two weeks ago, a brutal winter storm hit the East Coast. Half a million people lost their electricity and hundreds of drivers were stranded on freezing roads overnight. Just think what would have happened, think of the people who could have died, if all the cars were electric and people couldn't use natural gas to heat and cook. If it is not already clear to everyone, we rely on fossil fuels. Simply put, the fantasy land Green New Deal agenda of offshore wind farms, rooftop solar, and electric batteries will not cut it.

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agency into a behemoth with regulatory powers over America's entire energy system.

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knows energy prices are the number one issue right now — the highest prices in seven years. Yet, the Majority has not scheduled a hearing.

I intend to use today's hearing to confront the real issues facing Americans. What is the Administration doing to slow inflation and lower gas prices? Why is President Biden asking Russia and OPEC to pump more oil while putting American energy workers out of a job? Why is FERC delaying permitting decisions on critical natural gas pipelines that would improve grid reliability and lower utility bills for Americans?

These are the questions on the minds of Americans and they deserve the attention of this Committee.

With that, thank you Mr. Chairman and I yield back.

Mr. RUSH. The Chair now recognizes the chairman of the full committee, Mr. Pallone, for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. FRANK PALLONE, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. PALLONE. Thank you, Chairman Rush, for holding the hearing today on your important legislation to address the reliability and security of our nation's energy infrastructure.

The need for today's hearing and legislation is driven by recent events. We all watched with concern last February, as Winter Storm Uri devastated natural gas infrastructure in Texas, contributing to widespread power outages and significant loss of life. And some members of this committee even experienced the events firsthand.

In the wake of the Texas power crisis, we held multiple oversight hearings. We learned that the power outages were caused, in part, by inadequate natural gas fuel supply and delivery, as well as Texas's failure to establish meaningful, winterization and other standards to ensure reliable natural gas delivery.

And those findings are corroborated by a recent joint report on Winter Storm Uri from the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation. Among other things, this joint report concluded that—and I quote—"Generating unit outages and natural gas fuel supply and delivery were inextricably linked during the storm." The report recommended that a working group consider whether Congress should vest a single agency with responsibility for ensuring pipeline reliability.

So I want to commend Chairman Rush for taking those recommendations seriously, introducing H.R. 6084, the Energy Product Reliability Organization Act. While members here today may have different perspectives on how to best protect our country from emerging threats, it is clear to me that the status quo is insufficient, and Congress must act to ensure the reliability of our energy infrastructure.

Given our current reliance on natural gas for power generation, it is critical we examine how we can best ensure our natural gas fuel delivery system does not again fail to keep the lights on.

Unfortunately, Winter Storm Uri did not cause the only major fuel supply reliability failure last year. In May cyber criminals attacked the Colonial Pipeline company's business systems, ultimately halting delivery of more than 2.5 million barrels of petroleum products daily for several days. And this major disruption caused gasoline shortages across 17 states and the District of Columbia. The pipeline was restarted within five days, thanks to leadership from the Department of Energy, but the cyber attack laid bare the vulnerability of our pipeline infrastructure.

Chairman Rush's bill places the authority to issue cybersecurity standards where they should be, with energy experts who have a vested stake in the security of our power infrastructure.

In 2005, after the California energy crisis and the 2003 blackout in the Northeast raised concerns about the continued reliability of our electric infrastructure, and—this committee responded in a bipartisan manner. We worked to create an electric reliability organi-

zation to oversee the bulk power system. By all accounts, Americans enjoy greater electric reliability because of it.

Today, we are again confronted with events that shine a light on the inadequacy of our current regulatory regime. I hope we can respond in a similar bipartisan manner by establishing a stakeholder-driven entity like NERC, or NERC, to maintain reliable delivery of natural gas, petroleum, and other energy products, until we fully transition away from volatile fossil fuels to carbon-free electricity in transportation sectors.

Now, this bill, Chairman Rush's bill, is of vital importance, and today's hearing provides committee members an opportunity to learn more about the scope and necessity of an energy product reliability organization. This hearing is the beginning of the process, and I look forward to hearing from consumer advocates, industry stakeholders, and others on how we can best tailor this legislation to safeguard our nation's pipeline infrastructure.

We must find common-ground reforms to bolster the reliability and security of our pipeline and power infrastructure. The committee has a long history of bipartisan cooperation on these issues, and I hope we can work together to ensure our nation's pipelines and related facilities are operable during extreme weather events, protected from cyber exploitation, and able to address the evolving reliability and security risks of a changing world.

So I want to thank our two witnesses, Deputy Energy Secretary Turk and FERC Chairman Glick, for joining us today.

I look forward to our discussion, and I yield back the balance of my time. Thank you, Chairman Rush.

[The prepared statement of Mr. Pallone follows:]

PREPARED STATEMENT OF HON. FRANK PALLONE, JR.

Committee on Energy and Commerce

Opening Statement as Prepared for Delivery
of
Chairman Frank Pallone, Jr.

Hearing on “Securing our Energy Infrastructure: Legislation to Enhance Pipeline Reliability”

January 19, 2022

Thank you, Chairman Rush, for holding today’s hearing on your important legislation to address the reliability and security of our nation’s energy infrastructure.

The need for today’s hearing and legislation is driven by recent events. We all watched with concern last February as Winter Storm Uri devastated natural gas infrastructure in Texas, contributing to widespread power outages and significant loss of life. Some members of this Committee even experienced the events first-hand.

In the wake of the Texas power crisis, we held multiple oversight hearings. We learned that the power outages were caused, in part, by inadequate natural gas fuel supply and delivery, as well as Texas’ failure to establish meaningful winterization and other standards to ensure reliable natural gas delivery. Those findings were corroborated by a recent joint report on Winter Storm Uri from the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation. Among other things, this joint report concluded that “generating unit outages and natural gas fuel supply and delivery were inextricably linked” during the storm. The report recommended that a working group consider whether Congress should vest a single agency with responsibility for ensuring pipeline reliability.

I commend Chairman Rush for taking those recommendations seriously and introducing H.R. 6084, the “Energy Product Reliability Organization Act.” While members here today may have different perspectives on how to best protect our country from emerging threats, it’s clear to me that the status quo is insufficient, and Congress must act to ensure the reliability of our energy infrastructure. Given our current reliance on natural gas for power generation, it is critical we examine how we can best ensure our natural gas fuel delivery system does not again fail to keep the lights on.

Unfortunately, Winter Storm Uri did not cause the only major fuel supply reliability failure last year. In May, cyber criminals attacked the Colonial Pipeline Company’s business systems, ultimately halting delivery of more than 2.5 million barrels of petroleum products daily for several days. This major disruption caused gasoline shortages across 17 states and the District of Columbia. The pipeline was restarted within five days thanks to leadership from the Department of Energy but the cyberattack laid bare the vulnerability of our pipeline infrastructure.

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Today, we are again confronted with events that shine a light on the inadequacy of our current regulatory regime. I hope we can respond in a similar, bipartisan manner by establishing a stakeholder-driven entity, like NERC, to maintain the reliable delivery of natural gas, petroleum, and other energy products until we fully transition away from volatile fossil fuels to carbon-free electricity and transportation sectors.

This legislation is of vital importance, and today's hearing provides Committee members an opportunity to learn more about the scope and necessity of an Energy Product Reliability Organization. This hearing is the beginning of the process, and I look forward to hearing from consumer advocates, industry stakeholders, and others about how we can best tailor this legislation to safeguard our nation's pipeline infrastructure. We must find common ground on reforms to bolster the reliability and security of our pipeline and power infrastructure.

This Committee has a long history of bipartisan cooperation on these issues, and I hope we can work together to ensure our nation's pipelines and related facilities are operable during extreme weather events, protected from cyber exploitation, and able to address the evolving reliability and security risks of a changing world.

I'd like to thank our two witnesses, Deputy Energy Secretary Turk and FERC Chairman Glick, for joining us today. I look forward to our discussion.

Mr. RUSH now recognizes Mrs. Rodgers, the ranking member of the full committee, for 5 minutes for her opening statement.

Mrs. Rodgers, you are recognized.

**OPENING STATEMENT OF HON. CATHY McMORRIS RODGERS,
A REPRESENTATIVE IN CONGRESS FROM THE STATE OF
WASHINGTON**

Mrs. RODGERS. Thank you, Chairman Rush. And as you have recently announced your retirement, just let me say that we have appreciated your friendship, and the working relationship on Energy and Commerce, and look forward to you finishing strong here in Congress.

Tomorrow marks the one year of President Joe Biden's failed energy policies, jeopardizing energy reliability, energy affordability, and America's energy independence.

Today Russia is on the verge of invading Ukraine. It underscores the importance of energy in national security. Putin wants control of the Black Sea to block American energy imports to Ukraine, the imports that help the Ukrainian freedom fighters, those that are seeking self-determination. This Administration is, instead, helping Putin. On day one, a year ago, President Biden blocked the Keystone Pipeline, but yet greenlighted Nord 2 for Putin.

This makes no sense. Energy is so important to our national security, to our economy, to jobs, to competitiveness.

The Energy Information Administration reported energy prices rose more than all commodities over the last year, 60 percent higher than at the beginning of 2021. Another projection shows little to no prospect for relief. We have the highest inflation in 40 years, from the grocery store to the gas pump. Inflation is hitting low and middle-income Americans the hardest.

What Americans pay for energy matters. It drives all aspects of our economy, touching every supply chain and every part of our lives. It matters to farmers who are growing our food; the manufacturers who make the products we need; the truck drivers who deliver them. It matters to the store owners who are struggling to keep their shelves stocked; the restaurant managers who need to keep food on their menus, and the lights on. It matters to Americans who are stretching their budgets to feed their families, fill up their gas tanks, drive their kids to school, and get themselves to work.

The price, affordability, and reliability of energy is foundational to our way of life, and to peace and security around the world. We cannot afford another year of these failed policies.

To understand the risk for Americans, look no further than the troubling example of current European and UK energy crises, the skyrocketing rates, upwards to three times what we have in the U.S. It is a direct result of radical policies that drove these nations to rely upon weather-dependent renewables and, increasingly, Russian energy, which threatens Europe.

Thankfully for our security, we have had American LNG exports, made possible by the shale technology revolution. These exports supported energy and price relief to our European allies, and helped drive cleaner energy and power. But that is all being threatened right now.

Energy security matters. It matters for economic security. It matters for national security. And it also supports cleaner energy systems. After a year of President Joe Biden's energy crisis, we should reset our energy policy oversight to focus on priorities for maintaining energy and economic security. That is why Republicans are leading on the securing cleaner energy agenda.

Now, specifically regarding today's discussion on pipelines, Russia and China will not stop their campaign to dominate global demand for fossil fuels. Nor will the real impacts on everyday Americans disappear if we ignore the harmful impacts to replacing pipelines with weather-dependent renewables. We need affordable and reliable supplies. And anything that we do that impedes affordable, reliable energy will be harmful to our families, our workers, and the nation.

America's abundant energy supplies and world-class system of fuels and electricity delivery powers our prosperity, competitiveness, and, ultimately, our security. This is what ensures America's manufacturing and industrial competitiveness. This is what provides us strategic resources and the flexibility to confront our adversaries and assist our allies. And the pipelines that deliver these strategic resources are among the safest, environmentally friendly, and cost effective methods.

Today's hearing questions what is necessary to assure people have energy and power they need when they need it most. But assuring people have energy and power when they need it cannot be an excuse for sweeping, duplicative, and deep intrusion by the Federal Government into every part of the complex energy system. That is what this legislative proposal appears to do. And given this Administration's record, I do not support this expansive authority.

I look forward to working with the majority on this, and I hope we can head in a different direction.

I welcome our witnesses, and I will yield back at this time. Thank you, Mr. Chairman.

[The prepared statement of Mrs. Rodgers follows:]

PREPARED STATEMENT OF HON. CATHY RODGERS

Republican Leader Cathy McMorris Rodgers
“Securing our Energy Infrastructure:
Legislation to Enhance Pipeline Reliability”

January 19, 2022

As Prepared For Delivery

Tomorrow marks one year of President Joe Biden’s energy crises. Today, Russia is on the verge of invading Ukraine. It makes the case for national security clear as a bell. Putin wants control of the Black Sea to block American energy to Ukraine. This administration is helping Putin with Nord Stream 2. He invaded Crimea and now Odessa will be next on the Black Sea.

Energy is so important to the economy, jobs, National security. It’s all connected and underscores how important American energy is. President Biden’s energy crisis in America began on Day 1 of his presidency when he cancelled the Keystone XL Pipeline—the very beginning of one year of one-party rule to shutdown American energy and weaken our security.

The Energy Information Administration reported energy prices rose more than all other commodities over the past year [some 60%](#) higher than at the beginning of 2021. And other projections show little to no prospect for relief in the short term, with the highest inflation rates in forty years.

From the grocery store to the gas pump, inflation is hitting low- and middle- income families the hardest. What Americans pay for energy matters. It drives all aspects of our economy, touching every supply chain and every part of our lives. It matters to farmers who are growing our food. The manufacturers who make the products we need. The truck drivers who deliver them. It matters to the store owners who are struggling to keep their shelves stocked, the restaurant managers who need to keep food

on their menus and the lights on. And, it matters to Americans who are stretching their budgets to feed their families, fill up their gas tanks, drive their kids to school, and get themselves to work.

The price, affordability, and reliability of energy is foundational to our way of life. We cannot afford another year of rush-to-green policies that aim to shut down American energy.

To understand the risks for Americans, look no further than the troubling example of the current European and UK [energy crisis](#) – with skyrocketing energy rates, upwards of three times U.S. rates. This is a direct result of radical green policies that drove those nations to rely heavily upon weather-dependent renewables, and, increasingly, Russian energy, which threatens [Europe with energy blackmail](#).

Thankfully for our security, we have had American LNG exports, made possible by our shale revolution. [American energy exports](#) supported energy and price relief to European allies and helped to drive cleaner energy and power production, but the Biden war on American energy is threatening this as well.

Energy security matters. It matters for economic security; it matters for national security. And it is not an impediment to cleaner energy systems. After a year of President Joe Biden's energy crisis, we should reset our energy policy oversight to focus on core priorities for maintaining energy and economic security.

That is why Republicans are leading on the Securing Cleaner American Energy Agenda. It maintains our security and diverse energy mix while encouraging innovative deployment of cleaner energy generation that **doesn't** make us dependent on China's renewable supply chains. Specifically, regarding today's discussion on pipelines,

China and Russia will not stop their campaign to dominate global demand for fossil resources, and nuclear technology resources if we shut down domestic pipelines. Nor will the real impacts on everyday Americans disappear if we ignore the harmful realities of replacing pipelines with weather dependent renewables.

Affordable, reliable supplies of energy are vital to health and safety. Fuels and electric power are essential for almost everything we do. And anything we do that impedes affordable, reliable energy can be harmful to families, workers, the nation.

America's abundant energy supplies and world class system of fuels- and electricity-delivery *powers* our prosperity, competitiveness, and ultimately our security. This is what ensures America's manufacturing and industrial competitiveness. This is what provides the strategic resources and flexibility to confront our adversaries and assist our Allies. And the pipelines that deliver these strategic resources are among the safest, environmentally friendly, and cost-effective methods.

Today's hearing concerns the question: what is necessary to assure people have the energy and power they need when they need it most. But assuring people have energy and power when they need it cannot be an excuse for a sweeping, duplicative, and deep new intrusion by the federal government into every part of America's complex energy system.

That is what this legislative proposal appears to do and given this Administration's previous actions to shut down pipelines, I am concerned with how they would use this expansive new authority. However, I am encouraged to hear the Majority wants to recalibrate and work with us on these important matters. I am also pleased to start this conversation with Chairman Glick and Deputy Secretary Turk. Let me welcome you and let us talk

clearly about restoring American energy security that has been weakened over the past year.

###

Mr. RUSH. The gentlelady yields back.

The Chair would like to remind Members that, pursuant to committee rules, all Members' written opening statements shall be made part of the record.

I would like to welcome our witnesses now that are present for today's hearing: the Honorable Richard Glick, the chairman of the Federal Energy Regulatory Commission. And joining him is the Honorable David M. Turk, who is the deputy secretary of the U.S. Department of Energy.

It is so good to see you again. And I want to thank each of you for joining us today, and we look forward to your testimony.

At this time it is my honor to recognize each member for 5 minutes to provide their opening statement.

Before we begin, I would like to explain once again to the witnesses the lighting system for testifying in person. In front of our witnesses is a series of lights. The lights will initially be green. The light will turn yellow when you have one minute remaining. Please begin to wrap up your testimony at that point. The light will turn red when your time expires.

Chairman Glick, once again, welcome to you, and you are now recognized for 5 minutes for an opening statement.

STATEMENT OF RICHARD GLICK, CHAIRMAN, FEDERAL ENERGY REGULATORY COMMISSION; AND DAVID M. TURK, DEPUTY SECRETARY, U.S. DEPARTMENT OF ENERGY

STATEMENT OF RICHARD GLICK

Mr. GLICK. Thank you, Chairman Rush, Chairman Pallone, Ranking Member Upton, Ranking Member McMorris Rodgers, and members of the subcommittee. Thank you for inviting me to appear before you today to discuss H.R. 6084, the Energy Product Reliability Act, which addresses the need to enhance the reliability and security of our nation's energy pipelines. I applaud the committee's leadership in working to ensure reliable energy supplies for the American people.

The Energy Policy Act of 2005 gave the Federal Energy Regulatory Commission a key role in ensuring the reliability of the bulk power system. Under EPAct, the Commission certified the North American Electric Reliability Corporation as the electric reliability organization. The ERO develops reliability standards, which are subsequently renewed—reviewed by FERC, and the relevant entities must comply with any reliability standards that FERC approves.

EPAct also provided for the enforcement of electric reliability standards, including penalties for violations. NERC and its regional entities may impose penalties for non-compliance, subject to review by the Commission. In addition, FERC has independent authority to conduct its own investigations and impose penalties on any entity that violates the reliability standard.

There are currently 93 FERC-approved mandatory reliability standards for the bulk power system, 12 of which address cybersecurity. These mandatory reliability standards have made great strides towards improving reliability of the bulk power system. In contrast, there is no comparable mandatory reliability regime for

natural gas and other pipelines that transport energy products, including gasoline and propane.

The lack of mandatory reliability standards, especially for natural gas pipelines, poses a risk to the reliability of the bulk power system, due to the interdependency of our nation's gas and electric infrastructure. In 2021, natural gas-fired electric generation facilities accounted for approximately 37 percent of U.S. electricity generation. If a pipeline failure or cyber attack disrupts gas supplies, electric generation capacity dependent on that pipeline could be lost, possibly leading to blackouts on the electric grid.

This is more than a hypothetical situation. As described in a report released on November 16th, FERC staff and NERC staff engaged in a joint inquiry into last year's massive blackouts across Texas, and limited power outages in surrounding states during Winter Storm Uri. Although the joint inquiry identified several factors that contributed to these events, one of the primary causes was the lack of natural gas available for electric generation. The extreme cold reduced natural gas production and processing capability, and this impact was exacerbated because many of those gas facilities that were not frozen were unable to operate because they lost electric power. It isn't clear how well natural gas pipelines actually fared, because there was limited natural gas to transport.

To address the rest of the disruption of natural gas production or transportation that could negatively impact the operation of the bulk power system, the report recommends that FERC, Congress, state legislatures, and regulatory agencies with jurisdiction over natural gas infrastructure facilities adopt a new requirement for reliable operation of natural gas infrastructure. These recommendations include the designation of a single Federal agency with authority over pipeline reliability.

The challenges to energy pipeline reliability go beyond extreme weather. Last year's ransomware attack against the Colonial Pipeline illustrates the serious cybersecurity threat facing the nearly three million miles of pipelines that transport natural gas, oil, and other energy products across the United States. As a result of that attack, Colonial Pipeline shut down for several days, causing price spikes and shortages, from Texas to New Jersey.

A similar attack against the natural gas pipeline serving electric generators has the potential to also impair the reliability of the electric grid. In my view, it is critical that energy pipelines also be subject to mandatory cybersecurity standards. In fact, former chairman Chatterjee and I publicly called for the establishment and enforcement of mandatory cybersecurity standards for pipelines several years ago.

Turning to the legislation that is the subject of today's hearing, H.R. 6084, it is similar to the legislation adopted by EPAct—adopted in EPAct, establishing a mandatory reliability regime for the bulk power system. I would like to highlight a few certain features of the legislation that should help address the risks I have described.

First, the legislation calls for the creation and certification of an energy product reliability organization, similar to the process that led to the designation of the ERO.

The legislation calls for the development of mandatory standards to ensure the reliable delivery of energy products. Although the EPRO is responsible for the development of reliability standards in the first instance, the legislation would provide the Commission with the authority to order the development of reliability standards, and to require the EPRO to issue emergency standards, if warranted.

Finally, the legislation would provide the Commission with authority to review EPRO enforcement actions, and to independently investigate and penalize violations of any reliability standard.

I thank the committee for the opportunity to share my perspectives today. Legislation to establish and enforce reliability standards for the pipeline network will better secure the reliability of our nation's energy infrastructure in the face of threats such as extreme weather and cyber attacks. I applaud the committee for taking this long-overdue issue—taking up this long-overdue issue, and FERC remains available to provide technical assistance during the legislative process.

I would like to close my testimony today with a note of gratitude to Chairman Rush. As his colleagues just mentioned, he will be—he is preparing to leave the House at the conclusion of this session. Throughout Chairman Rush's 30-year career in the House of Representatives, I have admired his devotion to his constituents and his strong commitment to addressing the most challenging and consequential energy policy questions of our time.

Thank you, Chairman Rush, for your support of the Commission, and for your leadership.

And with that, I look forward to today's discussion and answering your questions.

[The prepared statement of Mr. Glick follows:]

**Written Testimony of Richard Glick
Chairman
Federal Energy Regulatory Commission**

**Before the
Committee on Energy and Commerce
Subcommittee on Energy
United States House of Representatives**

**Hearing on Securing our Energy Infrastructure:
Legislation to Enhance Pipeline Reliability
January 19, 2022 at 10:30 am
2123 Rayburn House Office Building**

Chairman Rush, Chairman Pallone, Ranking Member Upton, Ranking Member McMorris Rodgers, and Members of the Subcommittee,¹

Thank you for inviting me to appear before you today to discuss H.R. 6084, the Energy Product Reliability Act, which addresses the need to enhance the reliability and security of our nation's energy pipelines. I applaud the Committee's leadership in working to ensure reliable energy supplies for the American people.

The Energy Policy Act of 2005 (EPAct) gave the Federal Energy Regulatory Commission (FERC or Commission) a key role in ensuring the reliability of the Bulk-Power System.² Under EPAct, the Commission certified the North American Electric Reliability Corporation (NERC) as the Electric Reliability Organization (ERO). The ERO develops reliability standards which are subsequently reviewed by FERC, and the relevant entities must comply with any reliability standards that FERC approves.

EPAct also provided for the enforcement of electric reliability standards, including penalties for violations. NERC and its Regional Entities may impose penalties for

¹ The views I express today through my comments and written testimony reflect only the views of myself and do not represent the views of the Federal Energy Regulatory Commission.

² The Bulk-Power System includes all facilities needed to maintain reliability of the interconnected electric transmission system. This includes high voltage transmission lines (typically over 100kV), substations, control systems, generators, control centers and supporting computing and communications systems. It does not include systems used for the local distribution of electricity.

non-compliance, subject to review by the Commission.³ In addition, FERC has independent authority to conduct its own investigations and impose penalties on any entity that violates a reliability standard.

There are currently 93 FERC-approved mandatory reliability standards for the Bulk-Power System, 12 of which address cybersecurity. These mandatory reliability standards have made great strides toward improving reliability of the Bulk-Power System.

In contrast, there is no comparable mandatory reliability regime for natural gas and other pipelines that transport energy products, including gasoline and propane. The lack of mandatory reliability standards, especially for natural gas pipelines, poses a risk to the reliability of the Bulk-Power System due to the interdependency of our nation's gas and electric infrastructure.

In 2021, natural gas-fired electric generating facilities accounted for approximately 37 percent of U.S. electricity generation.⁴ If a pipeline failure or cyber-attack disrupts gas supplies, electric generation capacity dependent on that pipeline could be lost, possibly leading to blackouts on the electric grid.

This is more than a hypothetical situation. As described in a report released on November 16, 2021, FERC staff and NERC staff engaged in a joint inquiry into last year's massive blackouts across Texas and limited power outages in surrounding states during Winter Storm Uri.⁵ Although the joint inquiry identified several factors that contributed to these events, one of the primary causes was the lack of natural gas available for electric generation. The extreme cold reduced natural gas production and processing capability, and this impact was exacerbated because many of those gas facilities that were not frozen were unable to operate because they lost electric power. It is not clear how well natural gas pipelines actually fared because there was limited natural gas to transport.

³ Under EPAct, the ERO may enter into an agreement to delegate authority to a Regional Entity for the purpose of proposing reliability standards to the ERO and enforcing mandatory reliability standards. Currently, NERC has delegated authority to six Regional Entities: Northeast Power Coordinating Council, Midwest Reliability Organization, ReliabilityFirst, SERC Reliability Corporation, Texas Reliability Entity, Inc., and Western Electricity Coordinating Council.

⁴ U.S. Energy Information Administration, *Short-Term Energy Outlook* (released Dec. 2021), https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf.

⁵ Federal Energy Regulatory Commission, North American Electric Reliability Corporation, Regional Entity Staff Report, *The February 2021 Cold Weather Outages in Texas and the South Central United States* (Nov. 2021), <https://www.ferc.gov/media/february-2021-cold-weather-outages-texas-and-south-central-united-states-ferc-nerc-and> (Report).

To address the risk that the disruption of natural gas production or transportation could negatively impact the operation of the Bulk-Power System, the Report recommends that FERC, Congress, state legislatures and regulatory agencies with jurisdiction over natural gas infrastructure facilities adopt new requirements for the reliable operation of natural gas infrastructure. These recommendations include the designation of a single federal agency with authority over pipeline reliability.

The challenges to energy pipeline reliability go beyond extreme weather. Last year's ransomware attack against the Colonial Pipeline illustrates the serious cybersecurity threat facing the nearly three million miles of pipelines that transport natural gas, oil, and other energy products across the United States. As a result of that attack, Colonial Pipeline shut down for several days, causing price spikes and shortages from Texas to New Jersey. A similar attack against a natural gas pipeline serving electric generators has the potential to also impair the reliability of the electric grid. In my view, it is critical that energy pipelines also be subject to mandatory cybersecurity standards. In fact, former Chairman Chatterjee and I publicly called for the establishment and enforcement of mandatory cybersecurity standards for pipelines several years ago.⁶

DISCUSSION OF H.R. 6084

Turning to the legislation that is the subject of today's hearing, H.R. 6084 is similar to the legislation adopted in EPAct establishing a mandatory reliability regime for the Bulk-Power System. I would like to highlight certain features of the legislation that should help to address the risks I have described:

- a. The legislation calls for the creation and certification of an Energy Product Reliability Organization (EPRO) similar to the process that led to the designation of the ERO.
- b. The legislation calls for the development of mandatory standards to ensure the reliable delivery of energy products. The EPRO would submit the draft standards to FERC for review.
- c. Although the EPRO is responsible for the development of reliability standards in the first instance, the legislation would provide the

⁶ Axios, *Cybersecurity threats to U.S. gas pipelines call for stricter oversight* (June 11, 2018), <https://www.axios.com/cybersecurity-threats-to-us-gas-pipelines-call-for-stricter-oversight-09fac6e5-da94-491e-9523-d08ef15237f4.html>.

Commission with the authority to order the development of reliability standards and to require the EPRO to issue emergency standards if warranted.

- d. Finally, the legislation would provide the Commission with authority to review EPRO enforcement actions and to independently investigate and penalize violations of any reliability standard.

CONCLUSION

I thank the Committee for the opportunity to share my perspectives today.

Legislation to establish and enforce reliability standards for the pipeline network will better secure the reliability of our Nation's energy infrastructure in the face of threats such as extreme weather and cyber-attacks. I applaud the Committee for tackling this long-overdue issue and FERC remains available to provide technical assistance during the legislative process.

And with that, I look forward to today's discussion and answering your questions.

[Pause.]

Mr. UPTON. Mr. Chairman, you are muted, but I am presuming that you are introducing Mr. Turk.

Mr. RUSH. I guess——

Mr. UPTON. There you go.

Mr. RUSH. I want to thank you, Chairman Glick. Chairman——

[Audio malfunction.]

Mr. RUSH [continue]. You are recognized for 5 minutes for your opening statement.

STATEMENT OF DAVID M. TURK

Mr. TURK. Good morning, and thank you for the opportunity to be with you today to discuss the Department of Energy's role in making sure our energy system, specifically oil and natural gas pipelines, which is the issue of the hearing today, are reliable, secure, and resilient. And let me have a special thanks to Chairman Rush for his leadership and years and years of service.

And I know everyone wishes you all the best in your future chapter in life.

Mr. RUSH. Thank you.

Mr. TURK. I would also like to thank Ranking Member Upton for your strong support of DoE for many, many years. Thank you very much, sir.

And thank you to Chairman Pallone and Ranking Member McMorris Rodgers for their leadership of the full committee, as well. And thanks to all the members of this incredibly important subcommittee for your commitment to strengthen our nation's energy systems, and for the trust and the investment you have placed in our Department.

The Department of Energy is the risk management agency for the entire energy sector, and our dedicated team bring a wealth of unique expertise to do everything from helping companies identify cybersecurity vulnerabilities in the first place, to addressing supply chain risks for the energy sector.

As the President stated in his national security memorandum in July of last year, cybersecurity threats pose —control and operations systems, they pose a threat to control and operations systems that are among the most significant and evolving issues that we face today. And it is why we need to work hand in hand, public and private sector working together. And there is certainly a lot more to do, and it is a crucial time for this committee to take on this issue, to have this hearing, to work on this legislation, to discuss and come up with a plan to ensure reliability and security of our energy systems that all of our American citizens, all of our American people depend on.

And we certainly, at the Department of Energy, take this responsibility incredibly seriously to make sure we have reliable, affordable energy for all Americans. The Congress, especially this committee and subcommittee, have provided us and will need to continue to provide us the foundation and framework to fulfill this responsibility. We are grateful for your commitment to strengthening our energy security and resilience, including on the cybersecurity side.

Shortly after the Colonial Pipeline incident, which I personally spent a lot of time on—and I know a lot of you focused on this issue, as well—this committee introduced four key pieces of legislation on cybersecurity, and we very much look forward to continued discussion, not only in this hearing, but after the hearing on the Energy Product Reliability Act, in particular.

Over the last decade, the Department of Energy has built trusted relationships across electricity, oil, and natural gas industries, and with key state and local government agencies. We think it is absolutely critical to focus on the full oil and gas supply chain when we talk about energy security, upstream to midstream, and the downstream. That is why we work daily with electricity and oil and gas—oil and natural gas owners and operators to assess risks, to share threat information, and to mitigate impacts.

We work with owners and operators in 26 trade associations covering the entire oil and gas supply chain across the U.S. and Canada, as well, and the 30 CEOs and trade associations representing the electricity sector.

We work with the full range of our interagency partners: CISA, and FBI, PHMSA, TSA, and, of course, under the White House leadership of Anne Neuberger and Chris Inglis.

And let me say I am particularly glad to be here with Chairman Glick, for his personal leadership and FERC's leadership, providing a terrific example of how to successfully coordinate up and down the full supply chain when it comes to the electricity sector.

We all need to work together as an ecosystem to respond quickly and effectively to all the threats to our energy system, including on cybersecurity. We saw the effectiveness of this team approach many times over the past year, one example being the May 2021 Colonial Pipeline ransomware attack, where our whole-of-government approach helped decipher the problem, restore service up and down the East Coast in a matter of just a few days. And we are ready to take action to prevent similar events from happening in the future.

And we do need to think beyond pipelines, as well. We have seen attacks around the world, including in Saudi Arabia, on oil refineries from the cybersecurity side. We need to work together to shore up our defenses against all cyber threats and other impacts across the energy system.

We need to simultaneously maintain security and resilience and affordability of all our energy systems, while supporting innovation to address other major threats, including on the climate change front. DoE and the Federal interagency are working day in and day out to address this complex and ever-changing threat environment, and we simply can't do this important work without the leadership and support of Congress, and especially this subcommittee.

So in the coming weeks and months, all of us in the Department of Energy look forward to working with you and your colleagues in Congress on this important topic.

Thank you, and I look forward to answering all your questions.
[The prepared statement of Mr. Turk follows:]

Deputy Secretary of Energy David Turk Testimony
for the Hearing on “Pipeline Reliability and Draft Legislation”
before the House Committee on Energy and Commerce, Energy Subcommittee
United States House of Representatives
January 19, 2022

Good morning, Chairman Rush, Ranking Member Upton, and distinguished Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the Department of Energy’s (DOE’s) role in ensuring the reliability, security, and resilience of our Nation’s energy system, including oil and natural gas pipelines.

The energy sector is uniquely critical—providing power and fuel on which all other U.S. critical infrastructure sectors depend to operate. A disruption in our energy system can have a devastating impact on national security, the U.S. economy, and the livelihoods of millions of Americans. We have experienced the devastating impacts of disruption through multiple events just this year.

As the sector risk management agency and lead agency for energy emergency response, DOE is tasked with leading Federal efforts to secure our Nation’s energy infrastructure against all hazards, reducing the risks and impacts of cyber and other disruptive events, and supporting restoration and response. These responsibilities stem from various statutes and executive actions, including the Fixing America’s Surface Transportation (FAST) Act; Presidential Policy Directives 21 (Critical Infrastructure Security and Resilience), 41 (United States Cyber Incident Coordination), and 44 (Enhancing Domestic Incident Response); and recent National Defense Authorization Act provisions. We manage these responsibilities through a wide variety of partnerships, informed risk management tools and technologies, and effective incident response.

DOE Partnerships: Collective Preparedness and Response

DOE assesses and analyzes threats to the energy sector, providing regular unclassified briefings to other Federal agencies, States, and industry, in addition to classified threat briefings to cleared industry and State partners. The Department works closely with the three energy sector Information Sharing and Analysis Centers (ISACs)—electricity, downstream natural gas, and oil and natural gas—to disseminate any emerging and potential threats and mitigative measures in a timely manner.

DOE coordinates daily with the two Energy Sector Coordinating Councils—the Electricity Subsector Coordinating Council (ESCC) and the Oil and Natural Gas Subsector Coordinating Council (ONG SCC)—include owners and operators and 26 trade associations covering the entire oil and gas supply chain across the U.S. and Canada, and 30 chief executive officers (CEOs) and trade associations representing the electricity sector. Nearly a decade of coordination has resulted in strengthened planning, relationships, and trust that are critical to tackling the evolving threats to our energy sector.

DOE and the U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) Co-Chair the Energy Government Coordinating Council (EGCC) to ensure coordination across the interagency on security and resilience issues facing the energy sector. The EGCC includes departments and agencies with energy equities like the Transportation Security Administration (TSA), the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), the Federal Energy Regulatory Commission (FERC), and the U.S. Coast Guard, along with state representatives and international partners. The success of DOE and the energy sector in *collective preparedness and response* is well proven and often serves as a model for other critical infrastructure sectors.

DOE Risk Management Tools and Technologies

DOE and CISA are taking affirmative measures through a set of 100-day sprints directed by the White House to increase the visibility of cyber threats targeting industrial control systems in the electricity and natural gas pipelines sectors. DOE is empowering owners and operators through technology and training to gain a better understanding of the cyber footprint of their information technology (IT) and operational technology (OT) networks. These efforts are being well coordinated with our partners in CISA, TSA, and PHMSA.

In July 2021, DOE released the second version of the Cybersecurity Capability Maturity Model (C2M2) and supporting cybersecurity risk assessment tools. In its first iterations, the C2M2 model was used by hundreds of companies globally to evaluate, prioritize, and improve their cybersecurity capabilities. Nearly 150 cybersecurity practitioners from more than 70 energy sector organizations, including pipeline owners, operators, and trade associations, provided input to the development of the updated version. DOE is also working closely with the oil and natural gas industry and the National Institute of Standards and Technology (NIST) to develop a Liquefied Natural Gas (LNG) Cybersecurity Framework Profile for the energy Marine Transportation System. The Framework Profile may be later modified for application for land-based LNG facilities. Additionally, DOE is working with CISA and NIST on the development of energy sector-specific industrial control systems cybersecurity performance goals. Taken together, the increased visibility, maturity model, and goals will continue to move the sector in the right direction.

DOE also administers a testing program aimed at addressing supply chain risks in critical hardware and software systems used in the energy sector. The program, Cyber Testing for Resilient Industrial Control Systems (CyTRICS™), can help address supply chain threats. The CyTRICS program is a best-in-class program with significant support from industry CEOs, interagency partners, and supports recommendations outlined in the Cyberspace Solarium Commission Report. With electricity, oil, and natural gas companies all relying on similar industrial control systems, DOE is also working with major vendors to improve the security of their equipment that is used to operate critical pipelines, as well as the electric grid, through efforts including the Cyber-Informed Engineering Framework.

In support of States, DOE provides public utility commissioners and energy officials with guidance and risk assessment tools to enhance their energy security planning. These efforts bolster State strategies to mitigate and respond to energy emergencies, as well as build resilience against future events. For

example, DOE has hosted regional petroleum shortage workshops that result in focused plans that outline roles and responsibilities and emergency allocation programs.

The need for long-term energy security planning at the State level is especially pronounced given the complexity of oil and natural gas infrastructure and the interdependencies with the electricity and other critical sectors. Thoughtful planning can ensure strategic investment in new infrastructure, deliver reliability, avoid economic harm, enhance just and equitable emergency response, and reduce environmental impact throughout a State. State efforts will be bolstered by the energy security planning requirement, administered in coordination with the State Energy Program, that was included in the bipartisan *Infrastructure Investment and Jobs Act*.

Response and Restoration

When Federal support is required to restore the energy system, DOE stands up its energy response organization. Incidents like the February 2021 winter storm response across the Central U.S. and the May 2021 Colonial Pipeline incident demonstrated the effectiveness of a whole-of-government response.

The winter storm across the Central U.S.—with impacts felt throughout our Nation—emphasized the need for improved reliability and highlighted the mutual dependencies between natural gas and electric generation. During the event, DOE stood up unity of effort and message coordination across the electric and oil and natural gas industries and, after receiving an official request from the Electric Reliability Council of Texas (ERCOT), utilized our authorities under section 202(c) of the Federal Power Act to enable ERCOT to maximize the use of its generation fleet. DOE experts also contributed to the detailed report recently issued by FERC and the North American Electric Reliability Corporation (NERC) on the causes of and major lessons learned from the incident.

The reliability of the energy sector—and the importance of effective response and restoration—were again highlighted by a ransomware cyber incident that led to the temporary shutdown of the Colonial Pipeline that disrupted fuel availability across the Eastern portion of our country. The Department worked together with CISA, the Federal Bureau of Investigation, TSA, PHMSA, the Environment Protection Agency, and FERC to manage the Colonial incident and its aftermath. While the cyber incident itself did not directly impact operational systems, the concern that the ransomware could have potentially spread to the pipeline's operational networks was enough for Colonial to shut down a critical fuel artery in the United States out of an abundance of caution for safety and the environment. DOE's ability to support Colonial in its response efforts depended on experts from across the Department who understood both the cyber forensics and the operational impact of critical pipelines nationwide. Importantly, the Colonial incident highlights the significance of enhancing the cyber visibility of IT and OT networks in energy sector companies, which is the goal of the 100-Day Industrial Control Systems (ICS) Cybersecurity Plan.

Conclusion

DOE appreciates congressional leadership to improve and enhance the affordability, reliability, security, sustainability, and resilience of our energy infrastructure. We very much look forward to working with

the Chairman, Ranking Member, and all other Members to provide our thoughts, feedback and technical assistance. More generally, I am confident that the entire Federal interagency, including DOE, FERC, FBI, PHMSA, CISA and TSA, stands ready to address this complex and ever-changing threat environment.

With respect to the particular topic of this hearing, DOE will continue to work in close collaboration with Congress, the White House and our interagency partners, our state partners, and the oil and natural gas sector to further strengthen the reliability, security, resilience, and climate and environmental footprint of our Nation's pipelines.

At DOE, we particularly want to make sure we are doing all we can to fully leverage DOE's world-class energy, science, and technology capabilities. We have an incredible team—not only at our headquarters, but across our 17 National Laboratories and our four Power Marketing Administrations—that stand ready to do whatever we can to help. DOE sees our role as an all-hazards preparedness and response organization with the right expertise and partnerships that are so critical to our Nation's national security and energy resilience.

In the coming weeks and months, all of us at DOE look forward to further working with you and your colleagues in Congress on these important topics.

Thank you. I look forward to answering your questions.

Mr. RUSH. We will now conclude opening statements. We will now move to members questioning. Each member will have 5 minutes to ask questions of these very fine witnesses, and I will begin by recognizing myself for 5 minutes.

Chairman Glick and Deputy Secretary Turk, again, thank you for joining us today.

Chairman Glick, in your testimony you stated that the lack of mandatory reliability standards, especially for natural gas pipelines, posed a risk to the reliability of the bulk power system in its entirety. You have touched on this topic before, including at FERC's opening meetings and in the wake of the release of the FERC-NERC joint staff report on the impact of Winter Storm Uri. As an unfortunate note, this is the second time in a decade that FERC and NERC have had to issue a joint report on the impacts of winter weather and blackouts in Texas, which we all agree was indeed a tragedy.

Chairman Glick, can you elaborate for us on the threat that a lack of mandatory reliability standards for the natural gas pipeline industry poses to the reliability of the bulk power system? Or, in other words, how the current lack of standards threaten everyday Americans' ability to keep the lights on in their home.

Mr. GLICK. Thank you very much, Mr. Chairman, for the question.

I want to—as your question noted, I think the best example may, again, be what happened last February in Texas, with regard to Winter Storm Uri. And recall, we had FERC staff and NERC staff engaged in a joint inquiry. And essentially, there were two major conclusions as to what the causes were for the loss of so much generating capacity—lost about 35,000 megawatts of electric generation capacity in Texas, which is a very significant amount.

One of the causes was the fact that the electric generation plants were not sufficiently weatherized, and a lot of the parts froze, so it got very cold, as we know. The parts froze, and they were—they just were inoperable, and those plants had to shut down.

But the other major cause was the fact that over 50 percent of the electric generation in Texas was fueled by natural gas, or is fueled by natural gas. And in large part, because either the gas production was reduced because some of the gas processing and production facilities froze, and—but also because the—those gas facilities lost electric supply, and they had—and because of that they had to shut down, and they weren't able to provide additional gas. And so it was, essentially, a never-ending, you know, circle of problems, and that was—that is what caused the problem.

I think the issue is we need to—and I think the joint inquiry said this best—is we need to have a system where we ensure reliable sources of fuel for electric generation, and that, particularly, includes natural gas.

Mr. RUSH. Thank you, Chairman Glick. Thank you so much. I do have another question for Secretary Turk. Thank you so much. If you have any other statements, please share them with us in a letter.

Deputy Secretary Turk, one of my goals as chair of this subcommittee has been to—for greater minority employment and representation in the energy-related industry. A study by the—

[Audio malfunction.]

Mr. RUSH [continue]. Consortium found that only nine percent of—in the cybersecurity industry were African-American.

Given the DoD's focus on cybersecurity, and the Biden Administration policy to cultivate a Federal workforce that draws from the full diversity of the nation, what steps has DoE taken to increase minority employment in the cybersecurity world?

Mr. TURK. Well, thank you, Mr. Chairman, not only for the question, but for your leadership on this incredibly important issue.

And this is a top priority that we share at the Department of Energy, Secretary Granholm, myself, all of us, and we spend a lot of time trying to make sure, not just on cybersecurity, but throughout energy, we have an energy workforce at the Department and more broadly that represents all the talents of everyone around our country.

The nine percent figure that you highlight is just not good enough. We need to do more, we can do more, we should do more. And, frankly, we are going to be more successful on cybersecurity if we do more hiring from a full range of our American talents. So we are doing an awful lot.

Let me give you one particular example. We ran a 2021 DoE CyberForce competition, and inviting 21 minority-serving institutions to be fundamentally a part of that, so we can attract more and more top talent to be part of the cybersecurity solutions, going forward.

So again, thank you, Chairman, Mr. Chairman, for all your leadership on that issue.

Mr. RUSH. Thank you very much. The Chair will now recognize Mr. Upton, the subcommittee ranking member, for 5 minutes for questions.

Mr. UPTON. Thank you, Mr. Chairman.

Mr. Turk, when I was chair—actually, before I was chairman of this committee, I pushed—we all did—for an all-American energy strategy, helped lead the effort to launch the North American Energy Independent Plan, which was in place. As part of that we saw the expansion of LNG exports, which was mightily important, both under the Obama as well as the Trump Administration. It created thousands of jobs, sent the signal that we are going to increase supply, so more production, a big role in reducing carbon emissions, not only here but around the world, as well.

And I was reminded by Cathy McMorris Rodgers it was six years ago that I led a bipartisan trip of members from this committee to the Ukraine, and we talked a lot about LNG exports and the importance there, a signal to the free world. And, of course, as we look at today's crisis, the alternative to LNG exports from us is probably Russia, not something that a lot of us are anxious to see happen. Also, knowing the impact of dirtier gas.

This morning, when I came in, I looked at National Journal, and I am very troubled by a story here that says on page one there is a long-shot campaign—I hope it is long-shot—to bar natural gas exports. And in the story it references an anonymous DoE source that says there has been no change in our position on LNG—who requested to be anonymous to speak freely, told the National Journal,

“We continue to have various tools in our toolbox, but a ban is not currently under consideration.”

Can you confirm that, the ban is not under consideration?

Mr. TURK. Well, thank you very much, Ranking Member.

Mr. UPTON. I presume that this isn't you. It is quoted, but we would like to quote you saying that the story is accurate.

Mr. TURK. I have been around D.C. long enough to know that it is not good to be an unnamed source for these kinds of things. You put your head down and do the work that you are empowered to do.

And thanks for your leadership on many of these issues, including your leadership on methane emissions and critical minerals, which are—we are focused on a lot, and really appreciate on that side.

We have been blessed in our country with a wide range of energy resources across the spectrum, and we are certainly trying to, from the Department of Energy, make sure that, with the support—and thanks for those members of this committee who supported the bipartisan infrastructure legislation, which gives us an opportunity to push out even more, whether it is hydrogen, CCUS, or electricity resilience, supply chains more generally.

This country's LNG has been increasing for many years, and that certainly does have benefits. And it has energy security benefits to European colleagues, to European countries, to Japan, to a number of other countries——

Mr. UPTON. So you would agree that a ban on exports would be a bad idea.

Mr. TURK. So we have been looking at the full range of tools that we have got in our tool belt for affordability. That is why we did the SPR release——

Mr. UPTON. That is what this guy says—I am presuming it is a guy, but I don't know that. This individual says they are looking at—one of the issues that we are hearing about is that there is a—some effort, perhaps, to shrink the license time that licensees or companies get, as it relates to exports. Is that one of the tools in the toolbox? I hope not.

Mr. TURK. So the way the LNG authorizations are set up, there is both a FERC responsibility and a DoE responsibility. It is congressional legislation that gives us both responsibilities in these areas. We are following the statute and requirements of that.

The FERC makes decisions on the installation——

Mr. UPTON. I would like to get an answer before my time expires.

Mr. TURK. So we take our responsibility seriously. We are trying to do what Congress has told us to do, and take into account the full range of issues that should go into national interest determinations on LNG decisions, more generally.

Mr. UPTON. I just think that the certainty of a contract and a license ought to be imperative to the companies as they make decisions that impact——

Mr. TURK. And I have certainly——

Mr. UPTON [continue]. Lots of money.

Mr. TURK. And I have certainly talked to a range of companies, and understand the need for contractual certainty, and the cer-

tainty that provides not only our companies, but our partners abroad, as well.

Mr. UPTON. All right. Last question, now that I am now under the 20-second mark.

We have an issue in Michigan and the Midwest called Line 5. You are well aware of it. A number of folks have been waiting for a formal response from this Administration as to whether or not this line ought to be replaced or not. Governor Snyder, three years ago, embarked on a deal, worked with PHMSA, all the different players to get that line replaced, which a lot of us would like to see to impact—positive impact on the Great Lakes.

Can we expect a formal response to the court's request as to where the Administration stands on replacing Line 5?

Mr. TURK. So the Department of Energy does not have the jurisdiction in that area, so I will have to defer to the interagency and White House colleagues, who do have that responsibility.

Mr. UPTON. OK. My time is expired. I yield back.

Mr. RUSH. The gentleman's time has expired. The Chair now understands that the chairman of the full committee has been called away. So now we will go to Mr. Peters.

Mr. Peters, you are recognized for 5 minutes.

Mr. PETERS. Thank you, Mr. Chairman, thank you for your leadership, and congratulations on your announcement.

We are seeing the effects of climate change in more dangerous hurricanes, heat waves, and another year of devastating wildfires across the West. This is a direct threat to our energy system, and we saw that in February 2021, during the Texas winter storm that, tragically, took hundreds of lives.

In this case, one key failure was that natural gas infrastructure was unable to function under the harsh conditions. It is not a problem unique to Texas, or a particular source of energy. We are having plenty of challenges in my own home state of California with wildfires, drought, and the addition of significant amounts of variable renewable energy to our electric grid.

So regardless of the technology in question, or the extreme weather threat, we have to ensure that Americans have access to affordable energy when they need it. And we have done this effectively in the electric power sector through the North American Electric Reliability Corporation, or NERC.

So I want to applaud the Department of Energy also for the recently announced Building a Better Grid Initiative, which will implement key pieces of the bipartisan infrastructure legislation, including my POWER ON Act. These policies will make the electric grid more reliable, more resilient, and cleaner.

And we can't rely on a piecemeal regulatory approach that maintains the resilience of some parts of our energy systems, while neglecting others. We need common-sense standards to ensure reliability across our entire energy system, from transmission lines to pipelines. And I commend the chairman for proposing legislation that would work us toward that end.

Chairman Glick, I wondered if you could speak to the reliability benefits the North American Reliability Corporation, or NERC, has provided to the bulk power system already, especially against extreme weather.

[Pause.]

Mr. GLICK. Sorry about that. Thank you very much for the question, Congressman.

So the standards have been in place, essentially, for probably about 15 years or so, some of them. Some of them have been updated more recently. But I think they have been quite successful.

I mean, it is hard to—you know, there has been a number of outages over time. A lot of it really related to the local systems, you know, when there is a hurricane and distribution lines blow down, and so on.

But if you recall, there were some significant problems with the grid before these—this requirement went into effect. In 2003 there was a major blackout in the eastern part of the United States. And so far, with these standards, I believe they have gone a long way to avoiding those types of catastrophes.

Mr. PETERS. Yes, I was in New York City during that blackout, and it was quite an experience, a lot of amateur traffic directors trying to get people through the intersections.

Chairman, could you also speak to the—address the status of the proposed rulemaking focused on transmission, and maybe elaborate on how the Building a Better Grid Initiative could improve electric reliability?

Mr. GLICK. Thank you again for the question. And as you well know, because I know you are very active on this issue, electric transmission plays a very important part, in terms of reliability. It provides alternative sources of electricity when a particular line is clogged, or a particular line goes down. It provides—certainly adds to the resilience of the grid to deal with extreme weather conditions, whether it be wildfires, hurricanes, tornadoes, whatever that may be. And so there is no doubt that reliability benefits is one of the major reason that—reasons that we need to develop or build out a stronger grid.

FERC has issued an advance notice of proposed rulemaking last year, addressing a series of questions of how we are going to reform our approach to planning transmission, allocating costs for transmission, dealing with the interconnection of generation facilities to the electric grid, issues like that. And we have received a number of comments.

My great hope is that we will have an actual notice of proposed rulemaking, which is a proposal to reform our regulations, within the next couple of months. And my goal is to have—at least to start with a final rule, at least on some of these issues, by the end of the year.

Mr. PETERS. It is my view that we responded as country responsibly to the outages we saw, like the one in 2003. What is your response to the folks who say that there is no Federal role in—with respect to a similar regime on gas infrastructure?

Mr. GLICK. Well, I think there is really two responses, one of which is that we, as I mentioned before, we have authority over the reliability of the bulk power system. The bulk power system is heavily dependent on the reliability of gas pipelines. And so there is—I think there is certainly a Federal role there.

And secondly, the—we are talking about interstate natural gas pipelines—often, interstate natural gas pipelines, which are subject

to Federal jurisdiction. And again, I think there is—the states might not be capable, at least, of addressing those particular issues in reliability with regard to interstate pipelines.

Mr. PETERS. I think that is clear, and I appreciate the opportunity to discuss it today.

Thank you, Mr. Chairman. I yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes Mrs. Rodgers, the full committee ranking member, for 5 minutes.

Mrs. Rodgers, you are recognized.

Mrs. RODGERS. Thank you, Mr. Chairman.

Mr. Turk, your testimony outlines Department of Energy's responsibilities for preparing and responding to hazards, to risk, and to threats to the delivery of our nation's energy and power. And this is useful.

The core mission of DoE's—of DoE is, after national security, is energy security, and we must maintain reliability and affordability.

I would like to ask, is Department of Energy making recommendations to the Administration on the risk of American disengagement from fossil fuels, and shifting geopolitical energy power to our adversaries, Russia and China?

Mr. TURK. Well, thanks, Ranking Member, for the question. And I think, just as you have said—and I don't think anyone would disagree with this—we need to do three things at the same time: we need to make sure we have affordability for all of our American citizens, all of our American people—and we spend an awful lot of time on that; we need to make sure there is security, national security, energy security; and we also need to make sure that we are promoting and pushing on the sustainability side of things, and making sure that we have a proactive, ambitious, aggressive plan to reduce our carbon impact, and so we don't have the impacts of extreme weather that we have seen all across the country this past year, over \$145 billion worth of damage caused—

Mrs. RODGERS. Excuse me.

Mr. TURK [continue]. By that.

Mrs. RODGERS. Excuse me, Mr. Turk. Are you making recommendations to the Administration on the geopolitical impact of shifting from fossil fuels to China and Russia?

Mr. TURK. So what we have been recommending all along is to both make sure that we are moving as ambitiously as we can on this clean energy transition, to have a variety—a wide variety—

Mrs. RODGERS. OK, OK I am going to run out of time here. Very quickly—

Mr. TURK [continue]. Some time—

Mrs. RODGERS. Excuse me, excuse me. I am going to move on.

I have a letter I would like to submit to the record to—that I wrote to Secretary Granholm to oversee what DoE is doing to reduce dependence upon Chinese minerals, and help develop domestic supply chains for these minerals. And I ask that this document be entered into the record.

And I know, Mr. Turk, you have not reviewed this letter. I would like to ask at another time for you to come and brief the members of this committee on the plans to develop more secure and domestic supplies for critical minerals and technologies to meet the goals that you just outlined, OK? It is going to be very important that

we are developing domestic supplies. Otherwise, we are going to be dependent upon China, and they will shut us down.

The previous Administration identified vulnerabilities in the bulk power system chain from China and other adversarial actors. It issued an order to block components that put critical electric infrastructure at risk. This Administration immediately rescinded that order, and proposed a renewed electricity supply chain initiative, seeking information from stakeholders.

Mr. Turk, you mentioned a set of 100-day sprints in your testimony. Is the electric supply chain security part of this sprint?

And what is the status of your work to block components from adversaries that put our electric system at risk?

Mr. TURK. So this President has made supply chains and critical minerals an absolute top priority, and we are spending an awful lot of time at the Department of Energy. We have got now a dozen in-depth exercises, reviews, studies looking at the full supply chain.

And completely agree with you, we need to diversify supply chains, including on critical minerals, including for batteries, doing more domestic production, more domestic efforts all across the supply chain, and working with reliable allies all across the country. So we would be more than happy to come back up—myself personally, others from the Department—and give this committee a full briefing, and get your guidance and thoughts on how we can make sure we work together—

Mrs. RODGERS. OK, OK, I will look forward to working with you on that. Thank you very much.

China, overwhelmingly, dominates the global critical mineral supply chain, including 90 percent of silicon wafers used in solar panels; 80 percent of the rare Earth minerals that go into wind turbines and electric vehicle motors. Do you have concerns that relying upon Chinese supply chains for our energy resources and technologies can make our grid less reliable?

And secondly, recent comments from an NBA owner made headlines over the weekend because of his assertion that there is a low level of interest in the ongoing genocide of the Uyghurs in China. Republican members on this committee have been highlighting the fact that much of the supply chains for wind, solar, batteries in China are made by forced labor of the Uyghurs. In fact, we offered an amendment during the Energy and Commerce markup of the Build Back Better, but it—to prohibit the use of products made by slave labor. But that was voted down.

I know you have highlighted environmental justice as a priority for you at the Commission. Do you think that the United States should be using technologies including wind, solar, and batteries produced in China with forced labor?

Mr. TURK. So, completely agree with you, Madam Ranking Member, on the concerns on the China front, on the forced labor side and on having a surety of supply over time, including for these minerals that we will need even more of, going forward. And we and the Administration, working hand in hand with Congress, have to get serious about actually putting in place the ability to build up our domestic manufacturing.

Solar PV manufacturing is a great example. We at the Department of Energy, our national labs, funded by the Congress, funded

by the American citizens, did all the groundbreaking work to get solar PV technology in the place that it has gotten to. And what we didn't do is follow through to have the incentives, make sure that we have got in place the manufacturing infrastructure to take advantage of that. And now all of that has moved to China and a few other countries around the world.

We need to have incentives, just like included—the SEMA legislation that is included in the Build Back Better agenda, to actually have incentives to make sure that we can do the domestic production that we need to. So happy to work hand in hand, and make sure that we have got a series of incentives, a real plan to build domestic manufacturing, including on supply chains, including in all of these raw supplies and other materials we get from China.

It is not good to be beholden to one country for these supplies, absolutely.

Mrs. RODGERS. We need domestic—you know, the steelworkers in Spokane, Washington told me that a real infrastructure package would have included mining in the United States of America. I am anxious for that recommendation to come from the Administration to unleash—if we are really going to do this, we need to be honest about what it is going to take.

I do look forward to working with you, too. Thank you.

Mr. RUSH. The gentlelady yields back. The Chair now would like to recognize a man of two distinctions in the Congress, who has also announced that he will not seek re-election. He is renowned as a Member of Congress, and also as the coach of the Democratic baseball team, none other than our friend, the representative from the great state of Pennsylvania.

Mr. Doyle, you are recognized for 5 minutes.

Mr. DOYLE. Well, thank you, Mr. Chairman. And just let me say what a pleasure it has been serving with you in Congress over these past 27 years, and on the Energy and Commerce Committee, and I wish you the very, very best in the future. I know that both of us still have things we want to do. We just won't be doing them in Congress after this year. But thank you again, and I want to thank you and Ranking Member Upton for holding this hearing.

You know, as some recent high-profile events have proven, disruption to our energy supplies has some dire consequences. And the need for reliability is only going to increase as we see more extreme weather events and the proliferation of cyber attacks.

The reliable delivery of energy, whether it is gas, oil, or electricity, is absolutely critical. And so I am glad this committee is having this hearing on legislation that would finally bring standards to the sector, and ensure that consumers will have power when they need it.

Chairman Glick, Pennsylvania is second only to Texas in domestic natural gas production, but the reliability issues that might happen in Texas, such as failure to account for cold weather in the winter, may not arise in other regions. Do you think that oil and gas reliability standards should vary, depending on a region's geography and climate, and would FERC be likely to take those factors into account in improving standards imposed by the Energy Product Reliability Organization that the Act would create?

Mr. GLICK. Thank you for the question, Mr. Doyle.

So the standards themselves, as you pointed out, would —under the legislation, would be set by the EPRO. And the EPRO would, essentially, recommend whether the standards should be applied internationally, or applied to certain sections of the country, depending on various factors—as you point out, weather being one of them. That is—a similar thing happens on the electric side, where sometimes standards are different, depending on where the utility is located, and what the particular issue is.

So I think that the legislation would provide—as currently drafted, I believe the legislation would provide flexibility to the EPRO to provide that type of flexibility to different people around the country, depending on their circumstances.

Mr. DOYLE. Yes, I think that would be important.

Deputy Secretary Turk, this Department of Energy has been on the front lines combating cyber threats against our energy infrastructure. Can you tell us what type of cybersecurity threats pose the greatest risk to the reliability of our energy infrastructure, and where are those threats mostly coming from?

Are the threats posed to the electric industry different than the threats posed to our natural gas and oil infrastructure?

Mr. TURK. Well, the honest answer, we have got threats across the board. We have got threats from criminals, the ransomware and other things that we have seen, including in the Colonial Pipeline situation. And then we have threats coming from governments, as well, very sophisticated threats.

And it is not just electricity, it is not just pipelines, it is refineries, it is across the electricity and across the energy spectrum. So we need to be prepared for all of that.

And just to answer your previous question to Chairman Glick, we certainly completely agree. We need to have mandatory standards. We need to have minimum standards, working hand in hand with the private sector. We need to update those standards. And it is good for those standards to be national, just as you said, so that, whether it is pipelines or other infrastructure in one state, as—

[Audio malfunction.]

Mr. TURK [continue]. But we have really got to continue to work on these issues. We have got no time to waste.

Mr. DOYLE. Well, let me ask you. While TSA is theoretically responsible for setting cybersecurity standards for pipelines, two GAO reports have pointed out how inept they have been in this regard. Can you elaborate on how the new EPRO would finally put energy experts in charge of creating enforceable reliability standards?

Mr. GLICK. Mr. Doyle, if I may—this is Chairman Glick—I think the EPRO would, in several ways, differ from TSA's current authority.

First of all, TSA has authority over cybersecurity and physical security of pipelines, but not other reliability standards, impacts on whether—other issues that impact the reliability of pipelines.

Secondly, the—as I understand, the TSA standards that were recently released only last for a year, and the EPRO would be able to propose—and FERC would essentially approve—standards that would be more long-lasting, they would be permanent standards that could be modified over time.

And I think it is very important to have a standard-setting situation where you don't just have to come back every year and renew those standards, that you would have some sort of certainty for pipeline companies and others to make the investments they need to make to comply with longer-lasting standards.

Mr. DOYLE. Thanks for that clarification.

Mr. Chairman, I see my time has expired, and I will yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes Mr. Latta for 5 minutes for questions.

Mr. LATTA. Well, thank you very much, Mr. Chairman, and thanks very much for—our witnesses, for being with us today.

And also, I would like to just congratulate you for all your years of service here in the House of Representatives, and also to this committee. I want to wish you all the best in your years ahead.

Late last year, as we were approaching the beginning of winter, and home heating costs were surging to a seven-year high, the Biden Administration was considering shutting down a critically important pipeline that delivers fuel to the Midwest. And I know my good friend from Michigan has already touched on this.

In response, I wrote a letter with several of my colleagues to President Biden, expressing our concerns that revoking the permit for Line 5 would eliminate tens of thousands of jobs, jeopardize billions of dollars in economic activity, exasperate fuel shortages, and price hikes across the Midwest. It appears the President read our letter, because several days after receiving it his White House backed down the idea that they were going to intervene and shut down the pipeline.

However, Michigan Governor Whitmer continues to play politics in trying to shut down the pipeline, and the Biden Administration is still in consultations with the Canadian Government over the pipeline's fate. That is why I also joined my colleagues, the gentlemen from Michigan, Messrs. Walberg and Bergman, to introduce the PIPES Act, which would prohibit sole executive authority for revoking permits for the construction or operation of cross-border energy infrastructure facilities.

If I could start with the deputy secretary, Mr. Turk, and, again, in keeping with the great traditions of this committee, with our chairman, former chairman, Dingell, who this room is aptly named after, I am going to ask a series of yes-or-no questions.

Are you aware that PHMSA determined there is no unsafe or hazardous conditions that would warrant shutdown of Line 5?

Mr. TURK. I am not personally aware of that. Again, other agencies have the jurisdiction on that, so it is not an issue I have spent a lot of time on.

Mr. LATTA. All right, because I know I sent a letter to PHMSA in late 2020, asking for them to confirm this.

Yes or no, based on safety data from DoE and DoT, isn't it true that pipelines, rather than rail and trucking, are considered to be the safest and most efficient method for transporting energy products?

Mr. TURK. So, as a general rule, there are some positive safety benefits from pipelines over trucking or other ways to bring it in, especially when you are talking significant volumes.

Mr. LATTA. OK. Yes or no, has DoE conducted an analysis of the energy security and energy price impacts that would result from the shutdown of Line 5?

Mr. TURK. Again, I have not personally spent time on that, so I can't speak—what analysis has been done or not on that. We can certainly get that back to you on the record—

Mr. LATTA. OK, is DoE consulting with the White House or the State of Michigan on a potential Line 5 closure?

Mr. TURK. I have not personally consulted on that issue. We have got a full range of other issues that I have been focused on.

Mr. LATTA. OK, who would be the one being consulted on that?

Mr. TURK. So we can certainly have a follow-up discussion, and have an answer for the record. And—

Mr. LATTA. Yes. I mean, we really need to get that, because, as I mentioned earlier, we are talking about billions of dollars and tens of thousands of jobs that could impact Ohio and Michigan.

You know, you mentioned earlier about—and your testimony, also—about cybersecurity. Just by coincidence, in today's Wall Street Journal we got "Risking Cybergeddon," and about a coordinated attack could shut down 80 percent of the U.S. electrical grid.

And so, you know, we have been talking a lot about cyber in this committee, and how important it is.

Last year, two bills that I co-led with my good friend, Energy and Commerce member, the gentleman from California, Mr. McNerney, were signed into law as part of the infrastructure bill to help boost grid security and resilience by encouraging coordination between DOE and electric utilities. Will you commit to quickly implementing these two bills, the Cyber Sense Act and Enhancing Grid Security Through Public-Private Partnerships, given the pressing threat posed to the grid by cyber attacks?

Mr. TURK. So, as I have said, we absolutely have to, and I completely agree with you, Congressman, we absolutely have to do more on cybersecurity. And the President has said so. The Secretary, my Secretary, has said so. Our chairman of our FERC has said so, and eager to work hand in hand with you on any piece of legislation. And certainly we can provide our technical expertise and advice on what we think makes the most sense.

Mr. LATTA. Well, thank you. Let me ask this, in a follow-up to a—from a question a little bit earlier.

Is an LNG export ban being considered by the Administration?

Mr. TURK. So again, our statutory authority—and FERC has another statutory authority—is looking at the national interest. And we need to look at affordability, we need to look at—

Mr. LATTA. OK, but—so the question, though, is—

Mr. TURK [continue]. Security—

Mr. LATTA [continue]. Is it being considered, yes or no?

Mr. TURK. So we are looking at the full range of—

Mr. LATTA. So you are saying that—so if I can interpret what you are saying, you are saying yes.

Mr. TURK. So we are doing this analysis more broadly.

Mr. LATTA. Thank you very much.

Do you believe that it is in the United States' interests to provide natural gas to our allies and trading partners to reduce their energy dependence on dangerous regimes?

Mr. TURK. So again, there is a very significant energy security benefit from our LNG going to Europe, to Japan, elsewhere. And in the national interest we need to look at the energy security piece, we need to look at the affordability to U.S. consumers, and we need to look at the environmental sustainability in the CO2 footprint, as well. So we need to look at all of that. But certainly, there are energy security benefits.

Mr. LATTI. OK. But again, I am trying to get a yes or no here, because, again, you know, we—especially when we are seeing it happening right now in Russia and Ukraine, and making sure that—I was with the then-chairman—

Mr. RUSH. The gentleman's time has expired.

Mr. LATTI. Well, I guess my time has expired. I yield back. Thank you, Mr. Chairman.

Mr. RUSH. The gentleman's time has expired. The Chair now recognizes the gentleman from California, who has also announced his retirement. And the Chair wants to personally thank the gentleman for the many times he has assumed the gavel in the chairman's absence. The Chair now recognizes Mr. McNerney for 5 minutes.

Mr. MCNERNEY. Well, I thank the Chair and the two witnesses, and especially Mr. Rush, for your friendship, and working together, and all your leadership on the issues that we are discussing today.

I have been working for years to improve the reliability of our energy systems, especially by addressing the cyber vulnerabilities, including the two bills to improve grid cybersecurity with Mr. Latta that he just referred to. These were included in the Infrastructure Investment and Job Act just signed into law last year.

Deputy Secretary Turk, I am concerned, however, that not as much attention has been devoted to pipeline cybersecurity as has been devoted to grid cybersecurity, and that the lack of a central agency with energy expertise overseeing pipeline cybersecurity creates confusion, which, in turn, reduces security. Since the establishment of the CESER office at DoE in 2018, how has the DoE built up its internal expertise and capacity to address and advise on cyber threats?

Mr. TURK. Well, thank you very much, Congressman, not only for the question, but for your years and years of focusing on the cybersecurity side of things and, I have to say, ahead of the curve in many, many ways.

So this is a top priority for DoE, and we made the investments. You mentioned the CESER office, a terrific group of colleagues—Puesh Kumar, who is the head of that office, but a terrific group of colleagues. And we focus on everything from leveraging our expertise, including our national labs, on cutting edge technology that can be helpful on the cybersecurity side. We coordinate with the energy sector, not just the electricity sector, but the oil and gas sector on our coordinating councils. We work on testing, including on our CITRIX system, to try to test and make sure that we can bring that expertise for the private sector, and make sure that we have got ability to have information sharing from the public and private sector. Our CRISP program, in particular, has been incredibly important along those lines.

And we have got a—what I think is a very robust regime on bulk power, and that is the FERC/NERC model that I think has worked quite well.

And we absolutely need to have mandatory standards on pipelines, but it goes beyond pipelines to refineries, and throughout the supply chain on the oil and gas side of things, as well. We really need to bolster that.

Mr. MCNERNEY. Thank you for that pretty comprehensive answer pretty briefly.

Do you see a significant role for artificial intelligence in the development and implementation of pipeline cybersecurity?

Mr. TURK. So we focused on artificial intelligence, machine learning, making sure we are using all our advanced computing capabilities, and we have got phenomenal advanced computing capabilities in our national labs, in particular. And there is absolutely a role that it can play on pipeline safety, in addition to a number of other areas.

And certainly, we need to make sure, if we are bringing artificial intelligence to bear, we have got to have good cybersecurity protections there, to make sure that that kind of technology is not hacked into in ways that are detrimental.

But we should use all the tools we have on the reliability front.

Mr. MCNERNEY. Thank you.

Chairman Glick, many cities in California are working to reduce their reliance on natural gas to meet state climate goals, and to move away from price volatility and intermittency exacerbated by climate change. That was demonstrated last year in Texas's winter storm.

Does climate change and the associated extreme weather events pose a risk to the reliable delivery of energy products like oil and natural gas? Please answer with a yes or no.

Mr. GLICK. Yes, Senator—I mean Congressman.

Mr. MCNERNEY. I will take the promotion, maybe.

Mr. GLICK. Take the promotion.

Mr. MCNERNEY. Anyway, how has NERC, which serves a function similar to the proposed Energy Product Reliability Organization, respond to increasing climate threats and setting standards for the bulk power systems? Have they done enough?

Mr. GLICK. So, Congressman, I appreciate the question. So I think the—you know, the standards that have been set at the—and the electric level, I think, have generally been pretty good.

But I want to point out an example where I think we failed a bit, and that is going back to the Texas situation, in the sense that there was a similar cold weather event back in 2011, and there was a similar report done. And the report recommended that there be standards for weatherizing generation facilities. And unfortunately, those—that recommendation got watered down into some sort of guidance, and the guidance wasn't, essentially, followed, because, you know, generation is a very competitive business, and some electric generators didn't want to make the investments if their competitors weren't going to make the investments.

So I do think that is where it is a good example of where mandatory standards are absolutely necessary, essentially, to require everyone to engage in that—those type of investments. If we had

done that back in 2011, we probably wouldn't have had the disaster that occurred last February in Texas.

Mr. MCNERNEY. So national mandatory standards, I take it. But thank you, and I yield back.

[Audio malfunction.]

Mr. RUSH [continue]. Now recognizes my dear friend from the great state of West Virginia. And I emphasize my dear friend.

Mr. McKINLEY, you are recognized for 5 minutes.

Mr. MCKINLEY. Mr. Chairman, thank you, and congratulations to both you and Paulette coming through. You defeated COVID over the holidays.

But as for your decision not to return next year, your voice, your passion for so many people across America is going to be sorely missed.

Mr. RUSH. I share that with you.

Mr. MCKINLEY. But Mr. Chairman, with all due respect, however, this bill may be well-intended, but the committee should be addressing the rising energy costs of today.

According to the EIA, heating bills could increase as much as 54 percent this winter. And in the Build Back Better plan, Democrats wanted to add a tax on natural gas that the national—the American Gas Association estimated that that would raise household energy costs by an additional 17 percent on top of it. So fortunately, this bill is dying in the Senate.

Mr. Chairman, is your party tone deaf? The people across America are struggling.

According to Help Advisor, last year more than one in four Americans said they went without basic needs to pay their energy bill. Why isn't this Energy—why isn't this committee considering ways to lower the cost of energy bills?

But this bill fails to address that, and the White House relentlessly continues this war—this wage of war on pipeline development. Just look at the Environmental Justice Report on page 59. It specifically says it recommends that no new pipelines in America. They already want to shut down the Atlantic Coast Pipeline, the Mountain Valley Pipeline, Line 5—we have already talked about those today—and all while supporting Russia's Nord Stream 2.

Let's put this in perspective, Mr. Chairman. Last year, with a new President and your party in the majority, the committee held only 74 hearings and markups, most of which were to add more regulations. Contrast that with 2017, when President Trump's first year in office, and when Republicans were in the majority. This committee held a 106 hearings and markups. That is nearly 50 percent more. And our focus is primarily on transparency, and streamlining permittings, and removing barriers for job creation.

With that decrease in hearings, it is no wonder that the public doesn't trust Congress, and their polls will indicate we are headed in the wrong direction. It is two in three people say we are headed in the wrong direction. To rebuild that trust we should be working to reduce energy costs, not add to it.

So, Chairman Glick, the Natural Gas Act requires FERC to conduct a public interest review before a pipeline project can move forward. With a yes or no, do you believe it is in the public interest

to have access to reliable and affordable supplies of natural gas? It is a yes or no.

Mr. GLICK. Yes.

Mr. MCKINLEY. Thank you. But now FERC wants to redefine public interest to include climate change and the social cost of carbon, which will hinder pipeline development. Because of that, the pipeline restrictions, New England currently now imports its natural gas from countries like Russia because of pipeline restrictions. This—and we know the Russian gas is 40 percent dirtier than our American gas.

Can you define for me why is this in our public interest, to import gas from Russia rather than use American gas that also is more affordable?

Mr. GLICK. Thanks for the question, Mr. McKinley. You know, I wouldn't say I disagree with the premise of the question. The Commission is enforcing greenhouse gas emissions regulation on pipeline development or pipeline considerations. We are required to, under both the law and by the courts.

And what my point is is that the courts have repeatedly told us over the last several years that, if we don't engage in that type of analysis to determine what the impact of pipelines might—a proposed pipeline might be on greenhouse gas emissions on climate change, the courts send the cases back to us. And that is the problem. We end up creating more uncertainty, more delay, and less gas production—

Mr. MCKINLEY. If I could, Mr. Glick, do you think it sends a message of trust to the American people when they see a tanker coming from Russia to provide gas to New England? Is that how we rebuild trust, we rely on foreign nations to bring this thing in?

Mr. GLICK. I think the gas situation in New England is complicated, but in large part it is due to the fact that there isn't—hasn't been enough demand to bring in new pipeline development.

But I want to point out, not that it is much better, but the gas, the natural gas that is supplied by LNG into New England is primarily from Africa, and not from Russia.

Mr. MCKINLEY. Mr. Chairman, I have run out of time, so I yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the distinguished chairman of the Subcommittee on Environment, the gentleman from New York, Mr. Tonko, for 5 minutes.

[Pause.]

Mr. RUSH. Mr. Tonko is recognized.

[Pause.]

Mr. RUSH. Mr. Tonko is not—Mr. Tonko is recognized.

The Chair now recognizes the gentleman from Texas, Mr. Veasey, for 5 minutes.

Mr. Veasey?

[No response.]

Mr. RUSH. The Chair now recognizes the gentleman from—Mr. Johnson from Ohio.

Mr. JOHNSON. Thank you, Mr. Chairman. You know, it is a bit ironic that today we are now finally hearing—having a hearing on protecting our nation's pipeline infrastructure, because my Democrat colleagues have spent over a year now conducting an all-out

assault on reliable and affordable fossil fuels, and the infrastructure needed to transport these vital resources to market.

But——

VOICE. No.

[Pause.]

Mr. JOHNSON. But this hypocrisy is nothing new. Let me take you back to May of 2021, the Colonial Pipeline, which supplies nearly half the fuel consumed on the East Coast. As we all remember, it suffered a major cyber attack. And Secretary Granholm, from the White House podium, admitted that, when it comes to moving America's fuel, she said, and I quote, "pipe is the best way to go."

Mr. Turk, do you agree with Secretary Granholm? Is pipe the best way to go?

Mr. TURK. So thank you, Congressman, for the question. As I referenced earlier——

Mr. JOHNSON. No, it is a yes-or-no answer, Mr. Turk. Do you agree with Secretary Granholm? I don't need an elaboration. It is a yes or a no.

Mr. TURK. So yes, there are——

Mr. JOHNSON. OK, thank you. All right, then. Well, I don't know about you, Mr. Deputy Secretary, but I do agree that pipe is the best way to go.

With the litany of anti-pipeline actions from this Administration, it makes you wonder who is really responsible for American energy security, because President Biden sure isn't listening to his energy secretary or to people like you, Mr. Turk, that think pipe is also the best way to go.

I mean, we all know about the Administration's actions against the Keystone XL pipeline. And then, the Enbridge 5 line, which provides energy to Michigan and my home state of Ohio, considering shutting that down.

But here is another one. Have any of you heard of the PennEast pipeline: a billion-dollar pipeline to carry reliable, affordable natural gas from Appalachia to New Jersey? Our chairman's—full committee chairman's home state, by the way.

Last fall, it was canceled, due to massive opposition from environmentalists and radical, left-wing state politicians. I wonder. Do my Democrat colleagues really want to secure our pipelines? Or do they want to just side with the radical environmentalists, and shut down the pipelines in favor of weather-dependent renewable energy sources?

It seems to me that many of our Democratic friends can't seem to make up their minds.

So Mr. Turk, you were previously the deputy director of the International Energy Agency. A recent report was published by that agency that stated we need to move an energy economy, quote—we need to move to an energy economy, and I quote, "dominated by renewables like solar and wind instead of fossil fuels." Do you agree with that, that we should move to an energy economy dominated by renewables like solar and wind, instead of fossil fuels?

Mr. TURK. So I think we need to do two things simultaneously. Given the climate imperative—and we are already seeing the risks and damages to climate across our country——

Mr. JOHNSON. I don't want to debate climate change, Mr. Turk.

Mr. TURK. Well——

Mr. JOHNSON. I asked you a simple question. Do you agree with that agency's statement, that we should move to an energy economy dominated by renewables like wind and solar?

Mr. TURK. Because of these climate impacts, we need to move very aggressively in a diverse way with a variety of clean energy resources.

Mr. JOHNSON. So you agree——

Mr. TURK. Wind, solar, hydrogen——

Mr. JOHNSON. You agree with Secretary Granholm that we should protect what we have, and diversify, right?

Mr. TURK. Well, that is the second part of the answer I was going to say. As we move to this diverse, robust, clean-energy future, we need to make sure energy is—existing energy is reliable, secure.

Mr. JOHNSON. But how do we——

Mr. TURK [continue]. Protect our American citizens——

Mr. JOHNSON. How do we make sure that the energy is reliable and secure, when the efforts to shut down the very pipelines that take that energy to market are being throttled? How do we do that? How do you account for the Administration's protection of where we are today? Because that is not happening.

Mr. TURK. So just to be clear, the challenges we are seeing across the country on affordability right now, whether it is on the oil side or the natural gas side, are largely stemming from the pandemic, and supply and demand being out of whack.

Mr. JOHNSON. I mean, these pipelines, some of these pipelines, have been running since 1953. The consideration to close down the Enbridge 5, since 1953 it has been running. The XL pipeline has been in construction for years, had nothing to do with the pandemic.

Mr. TURK. But that is not the issue that is causing the current affordability challenges we are seeing across the country. Right now we do not have enough supply matching up with the demand, as our economy is roaring back, and the U.S. economy is doing quite well right now. And we don't have enough supply on the oil side to match up to that. That is why we are doing the kinds of things we are doing with the Strategic Petroleum Reserve to try to bridge that time period, as our domestic producers get more and more market—more and more product on the market.

Mr. JOHNSON. Mr. Chairman, we should be doing everything we can to increase production and use of our own resources here in America, and that is not what this Administration is doing. That is what would bring down the price of gas at the pumps, and lower the cost of groceries on the shelves.

With that, Mr. Chairman, I yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the gentlelady from Washington State, Ms. Schrier, for 5 minutes.

Ms. SCHRIER. Well, thank you, Mr. Chairman, and thank you for your years of service to this country. And thank you to both of our

experts for being here for today's discussion about how we can safeguard our energy systems from a whole gamut of threats, everything from weather to cyber terrorism.

I have two questions, one for each of you, and I will direct the first to Deputy Secretary Turk.

As you know, hydropower is a reliable and inexpensive form of clean energy, and my state, Washington, is the hydro capital of the country. The Infrastructure Investment and Jobs Act provided a much-needed investment in our hydro industry, and I was, therefore, really proud to support that legislation.

Now, with the impacts of climate change and droughts occurring in Western states in the past year, at least one hydro generation facility was actually taken offline. So greater investments in our facilities to increase resiliency is critical toward ensuring that we can continue to rely on hydropower as we transition to clean and renewable sources.

What additional measures is the Administration taking to address these challenges in potential years of lower flow to make sure we can still rely on hydropower?

Mr. TURK. Well, thank you, Congresswoman, for the question, and your focus—rightfully so, in my opinion—on hydropower. It is such an incredibly important part of our clean energy generation. Currently—and we feel that hydropower needs to play an even more important role, going forward.

And so, whether it is the funding provided in the bipartisan infrastructure legislation—and thank you for your leadership on that, and others—or all the other efforts we are doing on hydropower to make sure we retain the existing hydropower that we have, look at additional ways to bring additional hydropower generation where it makes sense throughout, and using hydro for storage and to balance with other renewables like solar and wind as well. So we are spending an awful lot of time and attention, rightfully, on hydropower.

And we also need to, just as you said, take into account climate change's impact on snowpack and other hydro resources, and make sure we are prepared to deal with that, as well.

Ms. SCHRIER. Thank you. Thank you for also mentioning—as a great method of storing energy. And I think that Representative McMorris Rodgers and I agree that adding power generation to dams that are already in existence is another way to increase our use.

Chairman Glick, when extreme weather causes gas production to drop, as it did again in Texas three weeks ago, generators are left scrambling at the last moment to find alternative sources of supply, often passing the costs onto ratepayers. My question is whether you agree that electric generators would benefit from increased visibility into gas market conditions, where it is, where they can get it, and whether Chairman Rush's proposed legislation could help ameliorate what is a significant vulnerability in our current gas supply system.

Mr. GLICK. Thank you for the question, Ms. Schrier. I think, certainly, increased transparency in the natural gas market would certainly benefit electric generators, would benefit consumers,

would benefit a lot of folks, just to have a better sense of what is going on there, out there in the market.

And as you mentioned, sometimes electric generators are forced to go out there and scramble for fuel supply when fuel supply gets tight. So it certainly would have significant advantages to the extent there is better transparency.

I don't believe that the legislation before us, which is primarily focused on reliability, and ensuring that pipeline companies are more reliable, would provide much in terms of transparency. But I would say that, to the extent that we ensure that these pipeline systems are more reliable, especially on the natural gas pipeline system, electric generators will be more confident that they will be able to access the fuel that they need to keep the electric generation going during times of extreme weather.

Ms. SCHRIER. Great. I am—thank you. Thank you for that clarification.

And then lastly, our system in Washington State, we depend on the Canadian natural gas supply chain. How do you see international connections being included in sharing gas market conditions, but also in these measures for cybersecurity?

Mr. GLICK. So, Ms. Schrier, I can compare it to our electricity standards. So our electricity reliability standard process is set by NERC, which not only operates in the United States, but also in Canada and a small part of Mexico, where—that is connected to the rest of the electric grid. And so the standards that are applied there have to go through a review by the Canadian Government, for instance, but they are similar in most cases, the same exact standards that apply here, in the United States.

And there is a provision in the bill before us, H.R. 6084, which says that this electric—the EPRO, the pipeline reliability organization, would have to try to make efforts to have—to get similar notification and recognition in Canada, as well as the United States.

Ms. SCHRIER. Thank you very much. I yield back.

Mr. RUSH. The gentlelady yields back. The Chair now recognizes the gentleman from—

[Audio malfunction.]

Mr. GRIFFITH. Thank you very much, Mr. Chairman. I am pleased to have two Administration witnesses here today amid surging energy prices that are eating into families' budgets across the country. It is important that this committee exercise oversight into the policies that are sacrificing our energy security and affordability.

I am disappointed that the Oversight and Investigation Subcommittee has not been allowed to hold a single hearing to examine how the Administration's policies may have played a role in the energy crisis. In fact, the Oversight and Investigation Subcommittee hasn't been allowed to hold a hearing from September 29th of last year until tomorrow's hearing on cleaning up cryptocurrency, the energy impacts of blockchain.

OK, shifting gears, Deputy Secretary Turk, in your written testimony you mentioned devastating impacts of disruption through multiple events. You cite cyber threats, important; supply chain risks in critical hardware, important; and in software, important. You mentioned incidents like the February 2021 winter storms and

the May 2021 Colonial Pipeline incident. In testimony here today we have heard about hydropower just now, and climate impacts, and how they should be looked at, and so forth, and that is important.

Have you had numerous briefings with the Federal—with Federal—other Federal agencies and industry on these issues, as you imply on page one of your written statement, yes or no?

Mr. TURK. Yes, absolutely.

Mr. GRIFFITH. And can you give me an estimate of how many such briefings have occurred? Five, ten, dozens?

Mr. TURK. So myself, I spend time on these issues on a daily basis with interagency colleagues, with industry colleagues. I don't know what number I—with other colleagues at DoE, it is hourly—

Mr. GRIFFITH. So dozens. Yes, so dozens with other agencies, states, and industry.

Mr. TURK. Well, absolutely, focused on affordability, focused on reliability, all the issues that you referenced.

Mr. GRIFFITH. How many briefings have you participated in with other Federal agencies, states, or industry on cleaning up cryptocurrency, the energy impacts of blockchain? We couldn't get an answer this morning from your agency.

Mr. TURK. So that is an issue I have personally spent some time on, including when I worked at the International Energy Agency.

Mr. GRIFFITH. Yes.

Mr. TURK. And looking not only at the impacts of blockchain and digital impacts today, but looking into the future. And I know folks at the Department of Energy—

Mr. GRIFFITH. But it would be fair—yes. But it would be fair to say that you focused more on the issues that you put in your written statement, and what you have talked about here today, such as cybersecurity. Wouldn't that be fair, that you focus more on cybersecurity and problems with the supply chains, and the issues that you put in your written statement that you have testified to previously today? Wouldn't that be a fair statement, yes or no?

Mr. TURK. Sir, it is a big agency. We work on all of these things.

Personally, I have probably spent more time on cybersecurity, more time on affordability—

Mr. GRIFFITH. Have you—

Mr. TURK [continue]. Side.

Mr. GRIFFITH. Have you talked about those issues in the last four months? And you have spent more time on cybersecurity and so forth. Have you talked about those issues in the last four months?

Mr. TURK. So I have. It is an issue that we are focused on.

Mr. GRIFFITH. Yes. So, you know, from the actions that you have told me about—and I appreciate that—it seems to me that perhaps, just maybe, just maybe, the Oversight and Investigation Subcommittee of Energy and Commerce ought to be focusing on some other issues that are more pressing than the energy use of cybersecurity or—excuse me, the energy issues related to cryptocurrency in energy.

We have heard today about Line 5. Mr. Johnson just brought up another one. We heard about a hydro. Members are bringing up all

kinds of issues, the causes for the cost increases. You were about to get into a debate on that with Mr. Johnson. That is all fine.

But the Oversight and Investigation Subcommittee, which has not met for almost four months, also has jurisdiction over healthcare. So issues like nursing shortages, broadband, the Internet, manufacturing, and, of course, not only for energy, but for all kinds of sectors, including why does the House have masks made from China, when we could get those made in the United States of America—that this is what the House provided us, maybe that is what Oversight and Investigations ought to be doing.

I know you can't answer that question, Mr. Turk, but I greatly appreciate you being here today. These are important issues, but I think that the Oversight and Investigation Subcommittee ought to be freed, and ought to be able to find its own course. And sometimes I will agree with the chairwoman and sometimes I won't, but that is an important subcommittee that is not being used currently by leadership. It is a shame, and it is a waste.

I want to talk about—and I will probably send you some questions later—about parity between fossil fuels and renewables, because I think it is important, as we see China and India both increasing substantially there, and the European Union substantially increasing their use of coal. We need to find new technologies to make it better. We can do it. This is the United States of America. We can make it happen.

I appreciate your time, and I yield back.

Mr. RUSH. The gentleman yields back. The Chair of the Oversight Committee is on the screen, but now the Chair recognizes the gentleman from New York, Mr. Tonko, the chairman of the committee—the Subcommittee on Environment, for 5 minutes.

Mr. TONKO. Thank you. Thank you, Chairman, and thank you for your great work as subcommittee chair on energy.

So, Chairman Glick, welcome. I know you and FERC must frequently consider the boundaries between Federal and state responsibilities in our energy system, and I am assuming that the proposed Energy Product Reliability Organization in Chairman Rush's bill would require significant Federal coordination. So can you give us some sense as to how we can think about these jurisdictional—

Mr. GLICK. Thank you very much for the question, Mr. Tonko.

I think there are—again, I want to point to a good example, which is, again, the way we handle electricity reliability, the way we—the legislation from the Energy Policy Act of 2005 addressed the issues is it gave FERC and NERC the authority over the reliability of the bulk power system, you know, the long-distance transmission lines, the big generation facilities, and so on, and it gave the states jurisdiction over—or essentially, left to the states jurisdiction over the reliability of the distribution system. And I think that is the way we are going to have to think about that on a going-forward basis.

The states have a significant role to play with regard to the LDCs, the local distribution companies that provide natural gas to homes and businesses and so on, in factories. And I think if they—they need to play a very significant role in ensuring that those pipelines, the pipelines that get to the end of the system, so to

speak, that those are also reliable. And so I think that they—it is an issue that FERC and the states need to coordinate on, just like we do on electricity reliability.

Mr. TONKO. And basically, the responsibilities of the Federal Government, or perhaps this NERC-like organization?

Mr. GLICK. So I think it is the responsibility of the Federal Government. The way the legislation is currently drafted, H.R. 6084, it doesn't make a distinction between the local distribution and the—essentially, the interstate grid of natural gas pipelines. It is something that I would recommend that the Commission—that the committee take a look at as it proceeds through the legislative process.

Mr. TONKO. Thank you. And if NERC partially serves as a model for this proposal, how has NERC been able to overcome some of the Federal-state coordination and jurisdictional issues that exist in the electricity system?

Mr. GLICK. Well, I think NERC works very closely with a series of regional reliability organizations that are spread out throughout the country that are more focused on some of the local reliability issues. And I think NERC also plays a very big role in coordinating with NARUC which is the association of state utility commissions, and the individual state commissions, as well. I know that, in fact, they spend a lot of time talking with them, making sure their jurisdictions—that they are working together on the same issues.

Mr. TONKO. Thank you. And even with this legislation, do you believe there will still be an important role for energy security planning and emergency preparedness by the states?

Mr. GLICK. Absolutely. Yes. We mentioned earlier there is three million miles of pipes around the country, and I think the Federal Government, through the—through this process established by this legislation, will address some of the bigger issues. But I think a lot of the local-level issues are issues that are already within the jurisdiction of state utility commissions, such as ensuring that the local pipelines are operating reliably, they are providing reliable gas service to homes, for instance, for heating, and so on.

Mr. TONKO. Thank you.

And Secretary Turk, welcome. The Department's cybersecurity efforts have required significant public-private coordination. But is there anything you can tell us about the need to improve coordination between Federal and state partners on these reliability and cyber issues?

Mr. TURK. I think, Congressman, it is an excellent question, and right to focus on those issues of coordination—public, private, and Federal, and state, and local, as well. And we spend an awful lot of time—our CESER team, in particular—working hand in hand with FERC, working hand in hand with others in the interagency, but working hand in hand with state and locals, and making sure that we have got a full plan in place to provide the reliability in the cybersecurity. Everyone needs to be on board here.

Mr. TONKO. Right, thank you. And Secretary, I want to commend DoE for the Building a Better Grid Initiative. This focus on our nation's transmission system is critical to achieving reliable, resilient, and clean electricity across the country.

But if our modern and reliable transmission system is very dependent on generation that may have unreliable delivery infrastructure, the whole system could crumble. So how do you see pipeline reliability and cybersecurity standards complementing the Department's broader goals of building a more modern and resilient electricity system?

Mr. TURK. So first of all, let me thank you, Congressman, and others who supported the bipartisan infrastructure legislation, which gave us \$16 billion at the Department of Energy to work further on electricity resilience. That is a historic level of funding and support that we plan on using very effectively to promote the reliability of the security, the resilience, more generally.

Electricity is certainly tied, hand in hand, with natural gas and with other parts of the energy system, and we need to be thinking of cybersecurity and reliability and resilience all together, and throughout the value chains, and throughout multiple value chains, as well. So just as the FERC and NERC model has worked well for electricity, we need to have mandatory standards, from the Department of Energy perspective, for other parts of our energy spectrum.

Thank you to TSA for stepping up and having some mandatory standards put in place for pipelines. But we also think other parts of that value chain need standards, need Federal standards, national standards, including refineries and other parts of that value chain, as well, again, having a coherent system in place so that we can do what we need to do.

Mr. TONKO. Thank you so much.

And with that, Mr. Chair, I yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the gentleman from Indiana, Mr. Bucshon, for 5 minutes.

Mr. BUCSHON. Thank you, Mr. Chairman.

First, I would like to say thank you for your service to your country. And in your retirement I hope you continue to promote the policies and the things that you have been doing on behalf of your constituents in the Chicago land area. So—

Mr. RUSH. Thank you so much.

Mr. BUCSHON [continue]. Thank you.

Thank you, Deputy Secretary Turk and Chairman Glick, for being here today.

Well, here we are in 2022. Americans around the country are still facing the consequences of the dreadful state of American energy under this Administration. This month my constituents in Indiana are paying gas prices that are nearly 40 percent higher than last year. Winter is underway, and Hoosiers are having to devote more of their paychecks to pay their energy bills, and forgo other basic household necessities like food and medicine.

Stunning levels of inflation that have hampered the American economy for the last several months, and are ongoing, and are not short term, are causing and exacerbating the effects of these high energy prices. Unfortunately, the Biden Administration has not effectively addressed this fundamental problem impacting millions of Americans.

This committee should be conducting oversight of the Administration, and working with the Department of Energy to address this inflation and rising fuel prices. However, as evidenced by the

bill we are discussing today, the majority appears to be more interested in finding ways to expand the Federal Government's regulatory footprint in the U.S. energy sector, rather than resolving key problems impacting ordinary Americans.

Therefore, I am disappointed that the rising energy costs and inflation are not the central topic of today's hearing. Deputy Secretary Turk, I just have one question, which is a little out of the direction I was headed here, but I would like to know, as it relates to LNG and crude oil exports, yes or no, is an export ban on the table as a way to—unfortunately, it won't address energy costs here, but I guess the Administration thinks maybe it will.

Mr. TURK. So an export ban, either on the LNG side or on the oil side, is not something we are currently discussing and under consideration.

Mr. BUCSHON. Great, thank you for that answer.

I mean, I am concerned the Administration's—about the Administration's mismanagement of the Strategic Petroleum Reserve, in my view, in response to energy prices. The SPR is intended as a safeguard to protect U.S. energy from the effects of a natural disaster or other major disruptions in the energy market, not as a tool to influence domestic fuel prices.

Going back to the Obama Administration, we directed DoE to conduct a long-term strategic review of the SPR. We also authorized a series of drawdowns to "right-size the SPR," and provide funding for a life extension and modernization program.

Deputy Secretary Turk, I am concerned the Administration is attempting to circumvent Congress and the statutory limitations under the Energy Policy and Conservation Act designed to protect the SPR from political manipulation. A yes-or-no: by law, the President must make an emergency declaration to determine that a severe energy supply interruption exists before authorizing an SPR drawdown, is that correct?

Mr. TURK. So there are a number of ways you can—we can use the Strategic Petroleum Reserve. And in the case of the 50 million barrels that was announced and we are deploying right now, there was not an emergency designation. That was not one of the authorities that we used.

For the 50 million barrels, what we did, 18 million barrels of that was a congressionally-mandated sale that we moved up the timing of that, all perfectly consistent with congressional authorization. And then the other 32 million barrels was done—what is called an exchange. And we used that mechanism for the particular moment in time because our economy is heated up, but our supply of oil has not matched that. That is why we have the pressures, and that is why the price has gone up, including what consumers pay at the pump.

Mr. BUCSHON. OK. So why didn't—

Mr. TURK. This tool is meant to be particularly suited for this backwardation we currently have in the market, in order to round that off, and to make sure we get more product into the market now, when consumers need those—that price reduction.

Mr. BUCSHON. Fair enough. I mean, I think you did it before Thanksgiving because his polling numbers were down, and the American people were mad that their energy prices were going up.

And honestly, based on your answer, 99.9 percent of the American people wouldn't be able to decipher the reason why he did it.

So why didn't he make a finding of a severe energy interruption? Is it because other International Energy Agency members in Europe refused to authorize a collective drawdown of their reserves?

Mr. TURK. So we spent months and months looking at the available tools that we had on this, and we came forward with what I think is an incredibly well-put-together plan for that particular moment in time that we faced, and we had a significant backwardation in the market.

We do so again, now that the prices have gone back up. When that supply from the U.S., from Canada, from Brazil, and from some other countries in OPEC Plus match up with that demand, the prices will go down. That is what our EIA experts and others are predicting in 2022.

But we have a peak of the curve, if you want to think about it this way. And the exchange mechanism, in particular, helps shave that peak off, protecting consumers from—

Mr. BUCSHON. Fair enough—

Mr. TURK [continue]. More supply.

Mr. BUCSHON. Fair enough. I mean, I think it was used to get around Congress, personally, but fair enough.

I yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the very capable and effective chairman of the Subcommittee on Oversight and Investigation, Ms. DeGette, for 5 minutes.

Ms. DEGETTE. Thank you so much, Mr. Chairman, and I want to pile on my thanks for your years of service to this committee and the Congress, and also your years of personal friendship to me. It means a lot.

Mr. RUSH. Thank you.

Ms. DEGETTE. I also want to thank the ranking member of the Oversight and—Oversight Subcommittee for already preparing in advance for our wonderful hearing on energy use in cybersecurity and cyber issues tomorrow.

And I also want to say that I would have a hearing in Oversight and Investigation every week. Under the pandemic, only one of our two committee rooms is wired for the ability to do Webex and in-person at the same time. And I have been asking the chairman if we could get both of our committee hearing rooms up and running, so that we can have a robust number of hearings. And so—but I just want to say, Mr. Griffith and all of the rest of my Democratic and Republican members of Oversight and Investigation, get ready for a very robust year, starting with our cyber currency hearing tomorrow.

I want to ask—I have a number of questions, but, Chairman Glick, I want to ask you. Several of my colleagues on the other side of the aisle have, unfortunately, implied that it is the Administration's policy to get natural gas from China and Russia. I would like you to, if you can, talk just for a brief moment about what the Administration's policy is, in terms of importing natural gas from foreign sources.

Mr. GLICK. Thank you for the question, Ms. DeGette.

So FERC is an independent agency, and so I can't speak for what the Administration's position is or not. I will say that the Commission has, over a number of years, approved a large number of proposed LNG export facilities. And our job is to make sure that the facilities are, essentially, operated safely, and that when they are constructed, that they are constructed safely and they don't have an adverse impact on the environment.

And so I think the—we have seen the demand. The companies are coming in, asking for—

Ms. DEGETTE. Sir, you are not answering my question, so I am going to move on, because I have some other questions.

I want to ask you, during Storm Uri, many utilities and independent power producers, including those in Colorado, were forced to pay exorbitant national—natural gas prices on the stock market—

[Audio malfunction.]

Ms. DEGETTE [continue]. Gas suppliers did not fulfill their firm contracts.

So I want to ask you if Chairman Rush's legislation can protect ratepayers from similar costs in the future.

Mr. GLICK. Yes, thank you, Ms. DeGette, and it is a great question, because that is exactly—I think that is the reason we are here today. We are talking about energy prices.

Ms. DEGETTE. Answer the question, sir.

Mr. GLICK. We need to also talk about what happens to the energy prices when pipelines are not—no longer reliable. And we saw what happened with regard to the natural gas system in Texas. Not only did that bring down electricity, and it obviously caused blackouts, caused enormous amounts of cost for consumers, it also raised natural gas prices in the entire region. And consumers in Colorado, consumers in Kansas, consumers in Oklahoma and elsewhere had to pay for that, and they are still paying for that, exorbitant rates, in large part because the supply-and-demand system was out of whack. There wasn't enough natural gas to go around.

And so I think that is one of the benefits of this legislation. We promote a more reliable natural gas system. Not only do we reduce cost on the electric grid, you are—also reduce costs on the natural gas—for natural gas consumers, as well.

Ms. DEGETTE. Thank you. Now, you identified in your testimony four features of Chairman Rush's bill that will help address the risks posed by our current lack of gas reliability standards, and one of those features is the ability to issue emergency energy production standards, reliability standards—

[Audio malfunction.]

Ms. DEGETTE. Now, can you tell us why—

[Audio malfunction.]

Ms. DEGETTE [continue]. Is essential? And do you think the Federal Power Act should be amended to give the Commission the ability to issue emergency electric reliability standards?

Mr. GLICK. I do believe so. The current approach on the electric reliability side isn't always nimble enough to address emergencies, and the Department of Energy has, certainly, emergency authority under certain circumstances. But I think FERC should actually have the authority, both on the electric side and the natural gas

side, to actually propose and actually implement emergency reliability standards when those conditions warrant.

Ms. DEGETTE. OK, that is great.

Deputy Secretary Turk, now I understand that the Transportation Security Administration and the Cybersecurity and Infrastructure Security Agency recently issued security directives aimed at owners and operators of TSA pipelines. And so I am wondering if—

[Audio malfunction.]

Ms. DEGETTE [continue]. Was the Department of Energy involved in those standards, and any determinations—

[Audio malfunction.]

Ms. DEGETTE. And briefly, can you tell me what factors were considered in those designations?

Mr. TURK. Thank you. We work hand in hand and provide our expertise to our full interagency partners, including TSA and CISA, as well.

And we were very pleased that there are now mandatory standards on the books for pipelines that TSA has put out. As Chairman Glick has said, though, that is a one-year emergency designation. We are going to have cybersecurity issues for more than a year, and we need to have that longer-term piece.

And we also need to have standards, from our opinion, on refinery and other parts of the value chain, as well.

Ms. DEGETTE. Thank you so much. Thanks to both of our panelists.

And again, thank you, Mr. Chairman, for your service.

Mr. RUSH. The gentlelady yields back. The Chair now recognizes Mr. Walberg for 5 minutes.

Mr. WALBERG. Thank you, Mr. Chairman, and I wish you all the best. You have got a year left to work here. We are glad we will have the chance to work with you, and look forward to seeing you here. However, as you know, I was born and spent the first six years of my life in your district, so I can find you. I know where you are at.

To review, on his first day in office President Biden issued an executive order revoking the cross-border permit for the Keystone XL pipeline. The Keystone XL pipeline would have created tens of thousands of jobs, and ensured a stable supply of nearly 800,000 barrels per day of crude oil from our closest ally and trading partner, Canada, my neighbor. If President Biden had not revoked the permit, the Keystone Pipeline would allow the U.S. to produce more gasoline and diesel, which would help us reduce imports from the Middle East, and Russia, and Africa.

Unbelievably, especially in light of the fact that Secretary Granholm is a former governor of Michigan, the Administration is also considering closing down Michigan's Line 5 pipeline, which delivers the majority of Michigan and the region's propane and other essential fuels for heating, agriculture, and manufacturing.

Political whims should not decide whether Michiganders can heat their homes or not, so I have introduced the Protecting International Pipelines for Energy Security, PIPES, Act, which would prevent President Biden from punitively shutting down existing energy pipelines, like Line 5, without congressional approval.

Deputy Secretary Turk, welcome. Thank you for being here. Do you support the construction of pipelines from Canada to increase the domestic supply of oil and refined products, yes or no?

Mr. TURK. So just to be clear, on Line 5 we don't have the authority on that front. And—

Mr. WALBERG. We will talk about that later. I have heard that statement, and I have some concerns with that.

But yes or no, do you support construction of pipelines from Canada to increase the domestic supply of oil and refined products?

Mr. TURK. Well, one thing, and I think we should be clear on this. It is not the pipeline issue that has caused the current affordability challenge that we have—

Mr. WALBERG. I am not asking for that.

Mr. TURK [continue]. Oil or natural gas—

Mr. WALBERG. Do you support—

Mr. TURK [continue]. Side of things.

Mr. WALBERG [continue]. The construction?

Mr. TURK. So when I would look at any energy infrastructure, I would look—

Mr. WALBERG. Let me go on to the next question.

Mr. TURK [continue]. Does it promote security, does it promote affordability?

Mr. WALBERG. If I am not going to get the answer—I only have a certain amount of time.

Did DoE conduct an analysis to evaluate the energy security impacts of canceling the Keystone XL permit?

Mr. TURK. So I—that was before my time. I am sure there was some analysis. I don't—I should say I don't know what analysis was done.

Mr. WALBERG. I am amazed. I am amazed that Secretary Granholm, having been in front of us before, last year, and asking questions about the Keystone Pipeline—Line 5 pipeline, as well, that you weren't prepped to respond to questions that you knew we would ask, because there is great concern, because it impacts my district and many other districts.

Let me ask you this question. Did DoE warn the White House that canceling the Keystone XL pipeline would lead to job losses and energy prices increases? Have you heard that?

Mr. TURK. So I don't have any knowledge of that analysis, or what—

Mr. WALBERG. That is amazing.

Mr. TURK [continue]. Analysis would have said.

Mr. WALBERG. What precedent does Keystone XL set for other cross-border pipelines and electric transmission facilities?

Mr. TURK. So again, I don't think the pipeline issue is the affordability issue that you and other members have flagged as a primary concern and that we are working on in this Administration.

We are looking to use whatever tools we have got in the near term—

Mr. WALBERG. It ain't working.

Mr. TURK [continue]. To deal with supply and—well, we have 4.5—

Mr. WALBERG. Look at the gas, the price at the pump. Look at the price on my farm constituents as they are trying to dry late-season harvest, and the cost of propane.

The Canadians are filing a claim under NAFTA to recover \$15 billion in economic damages caused by President Biden's meritless decision to revoke the Keystone XL pipeline permit. I am concerned that American taxpayers will be forced to pay this penalty, another casualty of the Biden Administration's anti-fossil fuel agenda.

In the few seconds that I have left, in your response to Congressman Latta and also Ranking Member Upton you indicated that DoE hasn't conducted any analysis to determine the impact of closing Line 5. If that is the case—and the Administration ought to be having, from the Department of Energy, consultation, advice that deals with energy in this country—it amazes me that that is not happening.

And regardless of what you think you have priority or responsibility for that, the consultation to this Administration to give them the reality of what energy resources are needed, and how to get them to our people, and doing it the safest way possible—in fact, the way it was done before January 20th.

With that, I will leave, I will yield back.

Mr. RUSH. The time is up. The Chair now recognizes the gentlelady from the great State of California, Ms. Matsui, for 5 minutes.

Ms. MATSUI. Thank you very much, Mr. Chairman. I also want to say thank you for your many years of service, and I look forward to working with you the rest of this term, and I am looking with curiosity as to what your next chapter of your life will be. And I look forward to working with you there. I am sure it will be exciting.

Mr. RUSH. Thank you.

Ms. MATSUI. And I want to thank the—both witnesses for being with us here today.

Deputy Secretary Turk, your testimony identifies many ways in which the Department of Energy engages with industry to address cybersecurity threats. Yes or no, do any of those programs result in mandatory, enforceable cybersecurity standards?

Mr. TURK. So FERC is a part of DoE, an independent part of DoE, and FERC has responsibility, with NERC, for electricity bulk power, in terms of the mandatory standards. And we help FERC, and we help TSA, and we help others on their mandatory standards.

Ms. MATSUI. OK. I am looking ahead also to see what other enforceable cybersecurity standards do we need to protect critical energy infrastructure?

Mr. TURK. So I have certainly come to the conclusion, having dealt with cybersecurity more than I thought I would, frankly, as deputy secretary of energy, over my first year, a little less than first year, and I have come to the conclusion we do need mandatory standards across the board when it comes to critical infrastructure. It is just too important.

We can't just rely on every company doing what they should do, and we need to have some baseline mandatory standards. So electricity on the FERC and NERC side, pipelines, refineries through-

out the value chains, doing it in a common-sense way, doing it with an awful lot of discussion with the private sector, as NERC does, as FERC does, as we do from the DoE side. But we need to—we just need to be prepared. So we absolutely need those mandatory standards, in my opinion.

Ms. MATSUI. Great, thank you. Looking ahead, I am excited by the potential for offshore wind development off California's coast. But it is important for the stakeholders to have an opportunity to provide input into the development of this nascent industry. And that is why I was thrilled to see this Administration announce last week that it would be investing and building a better and more reliable electric grid, including for offshore wind.

Deputy Secretary Turk and Chairman Glick, can you speak to both DoE and FERC's respective role in that initiative?

And how will your agencies use their respective—or their experience engaging with stakeholders to ensure that our government's approach to offshore wind transmission is collaborative and inclusive?

Secretary—Deputy Secretary Turk?

Mr. TURK. Thank you for the question, and thank you for flagging offshore wind. I think the potential for offshore wind is huge. We have got a 30 gigawatt target by 2030 in this Administration. I think we should be even thinking more bold than that, and more—even more numbers than that, certainly beyond 2030. The capacity factor for offshore wind is higher than onshore wind. It balances out a number of parts to the clean energy generation piece to it.

We are spending an awful lot of time, including in our national labs, on the innovation and the cost reduction side, including for floating offshore wind, which would be so important for California and off our West Coast. And then we are working with FERC, with others on the transmission side, just as you rightfully flag. We need to make sure we are building that infrastructure so that we can bring those offshore capacities into the fold, and have them be an incredibly important, reliable, resilient part of our energy infrastructure.

Ms. MATSUI. Absolutely.

Chairman Glick, would you like to comment?

Mr. GLICK. Yes, thank you very much, Ms. Matsui, and I appreciate the question.

So we are going to be providing technical assistance to the Department of Energy, in terms of carrying out its grid initiative, in particular with issues related to offshore wind, such as interconnecting offshore wind facilities to the grid—vitally important for the development of those technologies.

Secondly, we actually have our own grid reform initiative underway, in which we are hoping to establish a regulatory—reforming our regulations with regard to transmission. One of the things we are really focusing on, what is needed to access this—what is undoubtedly going to be a substantial demand, in terms of offshore wind, both in terms of the East Coast, but also, as you mentioned, off the West Coast.

And clearly, we are going to need to figure out what is the most efficient way to build these transmission facilities. Do you build one

transmission facility that accesses and collects power from a bunch of different offshore wind facilities, or do you do it on a case-by-case basis, building a line out to each individual offshore wind generating farm?

And those are the type of issues we are going to be dealing with, in terms of our transmission reform initiative.

Ms. MATSUI. OK. Well, in addition to offshore wind, what lessons can we take from climate and cybersecurity incidents in the past year to ensure that the transmission and deployment of new, clean energy sources is safe and reliable?

Mr. GLICK. So I think, clearly, if you look at the situation in Texas with the extreme cold, if you look at the situation in the West Coast with regard to extreme heat and wildfires, if you look at—with regard to the, obviously, Hurricane Ida that took place, and the devastation that occurred there, we are going to need to make the electric grid much more resilient than it currently is to address and withstand some of these extreme weather conditions. And we are actually engaged in that.

We have opened up a docket, we have held a technical conference, which is our version of a congressional hearing, and we are looking at what initiatives—working with our colleagues to consider what initiatives that we can pursue to, essentially, encourage utilities to make their grid more resilient towards the—to extreme weather conditions.

Ms. MATSUI. OK. Well, thank you very much, and I yield back.

Mr. RUSH. The gentlelady yields back. The Chair now recognizes the gentleman from South Carolina, Mr. Duncan, for 5 minutes.

Mr. DUNCAN. Thank you, Mr. Chairman, and welcome back. I have enjoyed serving with you.

Let me just say this, that the SPR release amounted to a blip in gasoline and diesel prices. Prices did go up, as Mr. Turk said, and will continue to go up as demand increases throughout the winter months. But it will go back down. They will go down when the weather warms and demand decreases, at least for a little while, until we get into the summer vacation travel season. Then demand goes up, and prices will go up as supplies are used up.

But one thing the Administration did was acknowledge that these were basic economics of supply and demand. The way to address this energy crisis is by increasing supply, not stifling it, which is Democrat policy, stifling energy production in this country.

Now, the title of this hearing is pipeline reliability, but Democrats really don't like pipelines. That is obvious. They shut down the Keystone pipeline, they shut down the pipeline the gentleman from Michigan talked about. In fact, they shut down the Atlantic Coast pipeline. There is an article here that says that Congressional Progressive Caucus has been successful fighting restrictions of natural gas production through fracking and blocking natural gas pipelines, including Atlantic Coast Pipeline. Senator Sanders celebrated efforts by progressives to cancel the ACP.

Another example of Democrats not liking pipelines is the fact that there is no pipeline really taking available natural gas from Marcellus up to New England states. The lack of a pipeline requires—because they have a thirst for energy in New England, and

they don't like looking at the wind turbines off their coastline. They don't want pipelines because they think that gas might be fracked gas, which they don't like. So they are going to import gas from Russia and Africa and other places, import it to the United States. LNG ships sit in the Boston Harbor, providing dirty Russian gas, African gas to New England. The thirst is still there for the energy. The thirst to use natural gas is still there. They just don't want American gas through a pipeline, reliable or not, as the title of this hearing is.

Mr. Glick, are you familiar with the letter sent to you by over 40 Democrats on 5 January 2022?

Mr. GLICK. Yes, I am.

Mr. DUNCAN. OK. I have got the letter here, and it raises concern with the effect that anticipated increases in heating and energy costs will have on their constituents this winter. We are all concerned about costs that—energy costs have on our constituents.

Now, I agree with another point of the letter, that lower-income households face a higher burden when dealing with increased energy costs. In fact, Republicans have talked about this for a long time. There are certain sources of energy that cost more to produce, and that is wind and solar and other things. So their letter addresses that.

The letter demands FERC investigate whether market manipulation, rather than an environmental agenda or supply constraints, is causing natural gas prices to rise over 30 percent on average for consumers last year.

You are not supposed to use the word “hypocrisy” in Congress. I was told that when I first came here. But this is very hypocritical, because their same policies of limiting offshore drilling, ending leases, not wanting to have hydraulic fracturing, not having pipelines to bring the gas where the need and demand is, using dirty or burning Russian gas to heat in the homes and produce electricity, all of that is hypocritical.

It is also hypocritical to try to say there is market manipulation when the Administration is shutting down production in this country, while at the same time promoting energy sources that cost more to produce, and that cost is pushed down to the lower-income people that they are talking about here. Hypocrisy at the—at its finest.

You know, the Biden Administration has revoked the permit on Keystone Pipeline, halted all new Federal oil and gas leases, greenlighting the completion of Russia's Nord Stream 2 pipeline. Another hypocritical thing.

The same Democrats are concerned with high energy prices for their constituents, championing blocking our natural gas pipelines. It is just amazing.

So Mr. Glick, do you agree that pipelines are the safest method to transport oil and gas?

Mr. GLICK. That—we are not in the business of examining safety of natural gas pipeline transportation.

Mr. DUNCAN. Well, I do. I will just stop you there. I get it. We have a bunch of natural gas here in the United States: Marcellus, Bakken, Barnett, Eagle Ford. I could go on and on.

I also think their innovation, not over-regulation, government mandates in the energy sector will continue to lead the world in oil and gas production, as well as reduce emissions.

I think Europe is going to find that them being beholden on Russia for their energy sources, once the Nord Stream 2 adds to the Nord Stream 1 pipeline that brings gas there, and Vladimir Putin continues to use that as a lever of policy and political influence, they are going to wish they had U.S. LNG ships and terminals to offload that in Europe.

Anyway, I am out of time. And with that, Mr. Chairman, I yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the——

[Audio malfunction.]

Mr. RUSH. —Mr. Veasey——

Mr. VEASEY. Mr. Chairman, thank you very much, and I want to thank Chairman Glick and Deputy Secretary Turk for being here today, too, to answer questions.

Over the past year we have seen many events, including some tragic ones in my home state of Texas, that really show the importance of reliable energy. I wrote a letter to FERC last year, and I support the joint inquiry by FERC and NERC to investigate operations of the bulk power system during the storm that we had. And I think there is a need to have a real conversation about the benefits and challenges of greater interconnections between ERCOT and the rest of the country.

Electricity, as all of us know, is as essential as food and water, and we can't have reliable electricity if we do not have reliable natural gas. Electric gas coordination is critical, and I think FERC has a role to play in some regulation over interstate pipelines and increasing transparency. This legislation addresses that, and directly addresses one of the issues laid out in the FERC-NERC report in response to Winter Storm Uri.

It is also critical that, as we address the problem of the Texas blackout, that we take a serious look at the rest of the infrastructure that supports our electric grid, including natural gas production and transmission. As many of you know, Texas, we are abundant with natural resources, including natural gas that helps fuel our economy and keeps us competitive, globally. It is all the more important that we take action to ensure these resources are there when we need them most, like during the historically cold winter storm that we had.

While the legislation in front of us will address some of the concern, a lot of the problems that we are facing in Texas with constrained natural gas supply were related to disruptions upstream, particularly with frozen wellheads, and I was hoping that Chairman Glick could describe the extent of first jurisdiction over interstate pipelines.

In particular, can you speak to FERC's oversight of 311 service and Hinshaw pipelines?

Mr. GLICK. So thank you very much for the question, Mr. Veasey. So we have authority over siting interstate natural gas pipelines under the Natural Gas Act. We also have some authority over regulation of the transportation rates. And primarily, we have author-

ity over the jurisdiction of our interstate pipelines, transportation of natural gas over interstate natural gas pipelines.

But there are also intrastate natural gas pipelines, including some in Texas, that will also provide some interstate service. And so we—in those cases we also regulate the rates, pursuant to Section 311, I think, of the Natural Gas Policy Act.

Mr. VEASEY. Given FERC's exercises—given FERC exercises limited jurisdictional oversight over 311 service and Hinshaw pipelines based on states' oversight of both, does FERC assess or confirm that such state oversight is sufficient?

Mr. GLICK. No, we don't have the authority to do that, but that—you are exactly right, those facilities are primarily subject to, I believe, the Texas Railroad Commission in Texas.

Mr. VEASEY. Given that we know that there is a lack of weatherization of natural gas assets—it was a documented problem during Winter Storm Uri—could gas supply shortages and subsequent issues during Winter Storm Uri have been avoided if there was some additional visibility with intrastate pipelines?

Mr. GLICK. Thank you for the question. I don't believe so.

I think the major issues were, essentially, weather—there were two issues. There was weather conditions, which—essentially, those production facilities and those processing facilities for natural gas froze.

Secondly, those other facilities that were still operational lost their power. There wasn't, essentially, a system set up, and I think Texas is now look at that—looking at that, to make sure they are not cut off when there are rolling blackouts, that those facilities are not cut off.

So I think that is where the—those were, essentially, where the responsibilities lie, in terms of the impact and what caused the blackouts in Texas. I don't—

Mr. VEASEY. What—

Mr. GLICK. Yes?

Mr. VEASEY. What if there were capacity postings for interstate pipelines, similar to the bulletin boards available for interstate pipelines? Do you think that generators could have prepared like that?

Mr. GLICK. I think generators would have had—to have more insight, essentially, as I mentioned earlier, to have more transparency into what is going on in the natural gas side, would essentially allow generators to go out and purchase natural gas elsewhere, instead of at the last minute, which certainly caused some of the problems and drove up prices in the region.

Mr. VEASEY. Thank you.

Mr. Chairman, I yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the gentleman from Alabama, Mr. Palmer, for 5 minutes.

Mr. PALMER. Thank you, Mr. Chairman, and your presence will be missed. I wish you well.

I have been sitting here listening to the responses from the witnesses, and I am kind of stuck somewhere between perplexed and confused and ashamed at how unwilling you are to give a straight answer to a straight question, and how little you seem to know about some of the subject matter.

I mean, you were asked about pipeline safety. I don't care if that is your area of expertise or not. You ought to know that the safety record for pipelines is impeccable, 99.999 percent safe. It is, by far, without question—except, apparently, by you two guys—the safest means of transporting energy. It is also the least expensive. And that is a big, big deal for American families.

As I have pointed out many times on this committee, I grew up dirt poor, so I have a real burden for low-income families and what they are experiencing right now, particularly going into this winter. We have already had two snows in Alabama, which is a little bit remarkable. But people are literally going to be choosing between eating and heating because they can't afford their energy.

You saw what has happened in Europe over the last few years as they have pivoted away from natural gas, and tried to go to almost all renewables, particularly in the UK. I think it was either the winter of 2016/2017 or 2017/2018, they had almost 17,000 people that they classified as excess winter deaths because they couldn't adequately heat their homes.

I mean, is that the kind of policy that this Administration supports, Mr. Glick?

Mr. GLICK. I can speak for FERC, I can't speak for the Administration, since we are an independent agency, but I will say this, that our responsibility is to ensure that rates, in terms of transportation of fuel and in terms of electricity transportation and generation within our jurisdiction, is the rates are just and reasonable.

And so the answer is it is not acceptable when rates go up extremely high, and we have taken a number of initiatives over the years to reduce—over the last several years to try to reduce energy.

Mr. PALMER. But here is what the Administration is doing, and you made this point. You said demand is up, supply is down. You—that was your answer, wasn't it?

Mr. GLICK. That would be Secretary—but I agree with that.

Mr. PALMER. OK, Deputy Secretary Turk made that point.

OK, here is the thing. If you understand that price is a function of supply and demand, when you shut off the construction of a major pipeline like Keystone XL, when you threaten to shut down other pipelines, when you restrict access to energy resources that were making us energy independent, you create a situation, with Russia and OPEC, where the President is having to go hat in hand, on bended knee to ask them to increase production because the supply is now affected.

Do you understand that? Apparently you understand that, Deputy Secretary, start here.

Mr. TURK. So just to be clear—

Mr. PALMER. I don't want a long, drawn-out answer.

Mr. TURK. Yes.

Mr. PALMER. I have only got a minute and a half left.

Mr. TURK. What is—

Mr. PALMER. Just—do you understand it?

Mr. TURK. What has thrown us out of whack here in the near term is COVID. When demand went way down, production then went way down on oil and gas. The economy is roaring back, and production has not kept up with that.

Mr. PALMER. But the first thing—

Mr. TURK. That is where we have got to——

Mr. PALMER [continue]. This Administration did was shut down XL——

Mr. TURK. That is where we——

Mr. PALMER [continue]. The construction of XL, Keystone XL, and restrict access to energy resources on Federal lands. You took zero action to address the demand issue, which is going to continue to be an issue, and you basically gave a geopolitical windfall to Russia.

And that brings me to—back to this other point about how insane these policies are, considering the condition—the conditions that we face right now with an adversarial Russia and, I believe, an enemy in China, and adversaries in the Middle East, and making us more dependent on foreign oil because we have policies that are preventing us from constructing the infrastructure that we need that is the safest, most economical infrastructure for energy delivery, and shutting ourselves down from—cutting ourselves off from access to the resources that we have to keep prices down, to keep families whole in the sense of their economic wholeness, and in regard to our national security. It just doesn't make any sense to me.

And with that, Mr. Chairman, I yield back.

Mr. RUSH. The gentleman yields back. The Chair has been made aware that the chairman of the full committee, Mr. Pallone, has returned.

Mr. Pallone, you are——

[Audio malfunction.]

Mr. RUSH [continue]. For 5 minutes.

Mr. PALLONE. Thank you, Chairman Rush. I wanted to ask Chairman Glick.

Your testimony explains that the North American Electric Reliability Corporation, or NERC, is empowered to issue reliability standards to the electric industry, but there is no comparable organization empowered to issue reliability standards for the gas industry.

So how does the status quo affect FERC's ability to implement the recommendations from the recent FERC-NERC joint report on lessons from Storm Uri, which identified needed reliability standards for both electric and gas industries?

Does it mean that FERC can implement the recommended standards for the electric industry, but not for the gas industry?

Mr. GLICK. Essentially, yes. We are—FERC, working along with NERC, are working to try to implement as many of the recommendations as we can, but we don't have the authority to implement the recommendations regarding natural gas reliability.

Mr. PALLONE. All right. Now let me ask Deputy Secretary Turk. Section 215 of the Federal Power Act also empowers NERC to issue cybersecurity standards that are necessary to maintain the reliable operation of the bulk power system. From DoE's vantage point as the sector-specific agency responsible for the energy industry, does NERC's success in issuing cybersecurity standards for the electric industry demonstrate that the proposed Energy Product Reliability Organization could perform a similar function for the oil and gas sector?

Mr. TURK. So we think the FERC-NERC model has worked quite well in the electricity and the bulk power market. And again, TSA has put some mandatory standards on the books for a year, emergency standards for the pipeline. But it doesn't cover refineries, it doesn't cover other parts of the chain, and it is only for a year, as well.

Mr. PALLONE. And so—but do you think that this proposed agency could perform a similar function for oil and gas, the oil gas sector?

Mr. TURK. So again, it is up for Congress to decide who has what authorities, and we are happy to have further conversations on the regime that is in place that makes the most sense in this place.

I will say FERC and NERC have done a very good job on the electricity bulk power side.

Mr. PALLONE. OK, and let me go back to Chairman Glick.

The Electric Reliability Organization was the product of bipartisan work by members of this committee, and ultimately passed as part of the Energy Policy Act of 2005 in a Republican Congress, and signed by a Republican President. And that idea has withstood the test of time, and demonstrated that industry-led stakeholder processes subject to FERC oversight can establish meaningful reliability standards that protect the reliability of the bulk power system.

So given that the—this proposed Energy Product Reliability Organization is expressly modeled on the Electric Reliability Organization, do you think that the industry-led stakeholder process established by Chairman Rush's legislation can likewise be a successful mechanism for protecting the reliability of the oil and gas infrastructure?

Mr. GLICK. I believe so. The electricity model has worked very well with the legislation you mentioned created in 2005, and I believe a similar model would work on the—with regard to pipeline reliability.

Mr. PALLONE. All right. Let me just say—I don't know—I wanted to comment on my Republican colleagues, but—and there are still—there are some of them here, and some on the—that are being—that are virtual.

But I guess I just—you know, I don't like to criticize you guys, but you continually criticize today the Biden Administration's move to tap the Strategic Petroleum Reserve to address energy prices. And you know, I do think that that was significant, and was necessary. And so I don't really understand why that criticism is taking place.

But I do want to say that I support the Biden Administration's efforts, and I also want to—you know, with regard to this—and I also want to highlight that Republicans on this committee used the SPR as a pay-for when they drafted the 21st Century Cures Bill, which I also supported.

And so, you know, if we can use the SPR to pay for healthcare legislation, why do they—why do you all of a sudden oppose using it to address energy prices?

I am not looking for a response, but I just—I have to comment on the fact that, you know, I thought that that made a lot of sense,

and I don't really understand the criticism of it. That is just my comment.

And did some—I am not asking for you to comment, but if you want to, you can. Otherwise, I am going to yield back.

All right, I yield back, Mr. Chairman.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the gentlelady from Arizona, Mrs. Lesko, for 5 minutes.

Mrs. LESKO. Thank you, Mr. Chairman, and I wish you the best in your future endeavors.

My questions are from Chairman Glick—for Chairman Glick.

Chairman Glick, I am concerned that FERC is unfairly second-guessing final decisions that the Commission made under the prior chairman. For example, FERC recently issued five notices of intent to prepare new Environmental Impact Statements and projects for which FERC already determined that final environmental assessments were sufficient.

So going forward, Chairman Glick, can the public and regulated industry rely on FERC to make final decisions and then stick with the decisions?

Mr. GLICK. Thank you for the question, Mrs. Lesko. I would disagree with the premise of the question. Actually, the FERC never did say that those previous environmental reviews were sufficient. Those were staff analyses, and they didn't make that determination, either.

Basically, we are doing what the courts are requiring us to do. And I want to use an example. So over the last several years the courts have repeatedly said FERC is not doing this right. We are not—and other agencies, too, they are saying FERC and other agencies are not essentially reviewing pipelines sufficiently, in terms of the environmental impacts. And what happens is we issued our orders in the past, the courts sent it back to us, it takes several years to go back and do the additional reviews. And all it does is cost extra money and, in many cases, it causes pipelines to cancel those projects. It has happened in the past.

So what we are trying to do is follow what the law requires and what the courts are telling us. And so we are trying to do—if you look at the last several court cases, they are essentially saying we have to do an environmental impact statement to review the environmental impacts of these particular projects. And so we are doing so. In the long run, it is actually going to expedite the process, not slow it down.

Mrs. LESKO. Thank you for the answer. My next question is also for you.

In order 871, which was recently implemented this year, FERC changed well-settled practice, and created new project risks. Order 871 significantly restricts what companies can do, while it requests a rehearing of FERC certificate orders pending, which can delay a pipeline's access to the land necessary to conduct project surveys for environmental and cultural resource permits, land acquisition, and construction.

The order also announces a presumptive stay on all future pipeline certificates pending, rehearing proceedings, which is contrary to congressional direction in the National Gas Act.

Further, the order is not clear about what a pipeline needs to prove to lift the stay. The order provides incentives for project opponents to seek rehearing to delay projects.

We all know that building infrastructure projects has taken longer and longer in recent years. How much delay do you expect FERC's recent order 871 to add to pipeline development timelines, considering that most of these projects already have taken multiple years to design, permit, and build?

Mr. GLICK. So order 871, essentially, was a response to the courts, which, essentially, told FERC that we weren't handling the pipeline siting process sufficiently in terms of ensuring that landowners have their day in court. And I want to quickly explain.

Under the Natural Gas Act, when you get a certificate of public convenience and necessity, you automatically—the pipeline developer can automatically go to court, and actually take land by eminent domain. With those people, landowners and others that are challenging the Commission's decision to issue the certificate, it takes a little while because of the way the Natural Gas Act is written to get to court and those who challenge those particular decisions.

So what 871 says is we are going to delay the effective date of the certificate to give those parties enough time to make their challenge at FERC, and then go to court. And if the court then stays the Commission's decision, that is one thing. If they don't, then they can go and move forward with taking land by eminent domain.

But it is all about making sure that landowners have their day in court before land is taken by eminent domain.

Mrs. LESKO. How much time do you think that will add onto the already long time it takes to get permitting?

Mr. GLICK. I—if any time—and I don't have—I can't give you a specific answer—I think very little, in large part because the process—we only—we limit it. Under 871(b), what the Commission did is limited this time period to 90 days. So essentially, you have to wait 90 days, or earlier, if the Commission acts on the rehearing proposal earlier, before you can actually go to court and seek to take land by eminent domain.

But that is early on in the process. It is not necessarily going to delay the development of the pipeline itself, because it takes a long time. Even if you take the land, you need to get the other permits you need from state agencies and other Federal agencies.

Mrs. LESKO. Thank you, I yield back.

Mr. RUSH. The gentlelady yields back. The Chair now recognizes the gentlelady from Florida, Ms. Castor, for 5 minutes.

Ms. CASTOR. Well, thank you, Mr. Chairman. And Mr. Chairman, you leave quite a legacy here in Congress and back in your home community, and I know you are not done yet.

And thank you to our witnesses, Chairman Glick, and to Deputy Secretary Turk, for being here.

You know that the deadly Texas freeze last February demonstrated how important it is that we weatherize our existing infrastructure, and do everything we can to blunt the higher costs and risks fueled by the climate crisis.

Now, this Congress has acted on several strategies to lower the cost for consumers and businesses, and make the grid more reliable, especially upgrading and expanding our electric grid, investing in energy efficiency, conservation, distributed clean energy resources, and clean back-up storage. And today we are focused on the pipeline infrastructure angle here, and the reliability standards.

Now, there is a—there is an untold story that a lot of people don't know, but there was an article in the Texas Monthly. I believe it was—it came out just recently that the gas industry received \$11 billion in windfall profits from the Texas freeze. Without reliability standards, the gas industry will continue to reap windfall profits, while leaving customers out in the cold. And it is not just Texans that are impacted. The gas spot price went up thirtyfold in Southern California. Minnesotans had to pay an extra \$800 million.

So Chairman Glick, tell us more about the cost of consumers in other parts of the country having to cover the cost because of the failure of the Texas grid.

Mr. GLICK. I appreciate the question, Ms. Castor. And in fact, I recently read that article, as well.

And I would say that, you know, that is—if we are talking about impact on consumer bills, the bill increases we have seen as a result of what happened in Texas and surrounding states last winter, by many folds we are talking about much higher increases than the other rate issues that we have been talking about today. And in large part it was because of simple supply and demand. Gas production facilities—and Texas supplies a lot of natural gas around the country—gas facilities in Texas froze, many of them froze. Many of them became inoperable, as did the processing stations, and so there wasn't enough gas to go around.

So what gas was left, both in Texas and elsewhere, the prices dropped—jumped dramatically. And you mentioned some of the—talking 800 percent, 700 percent. Different states had significant, enormous rate increases.

So the benefit, I think, of the bill that we are talking about today, or the concept of ensuring the reliability of the gas infrastructure, if that gas infrastructure was more reliable, and the facilities didn't freeze, and they didn't get cut off from electricity supply, we would have seen rate—rate increases would have been much smaller, only basically due to the fact that it was cold and there was more demand for gas because of that.

And so I think this is not only an important perspective from reliability and in certain terms of making sure that people's lives are protected, which is obviously the most important, but it is also in terms of the pocketbook. And this legislation, I think, or the idea behind this legislation, will help promote what I believe will keep energy prices, both electricity and natural gas prices, much lower if we have a more reliable natural gas pipeline system.

Ms. CASTOR. I agree.

And Deputy Secretary Turk, would you like to add your views?

Mr. TURK. Yes, happy to, and thanks, Chairwoman, for all your leadership in the Climate Committee, in particular, and all else.

So I think you are absolutely right to focus on the cost of climate change to American consumers: \$145 billion last year is one estimate from extreme weather exacerbated or caused by climate change.

So we need to look at all of our tools to make sure there is not manipulation in the market, and to assure affordability, including on heating for those consumers who are having challenges. And price—the price of gas at the pump right now is too high. We think it is too high. This Administration thinks it is too high. That is why we are doing the kinds of things we are doing.

We have got 4.5 billion in LIHEAP. Congress appropriated 21.5 in emergency rental assistance that is going to help pay energy bills along those lines. We have gotten 14 utility companies to avoid shutoffs for those consumers who are having challenges during this COVID crisis. So we absolutely have to keep our eye on that affordability issue.

Ms. CASTOR. Yes, and I think Chairman Rush's Energy Product Reliability Act fills that very important gap, whether we are talking about cybersecurity or we are talking about the rising costs and risk fueled by the climate crisis.

So thank you very much, and I yield back.

Mr. RUSH. The gentlelady yields back. The Chair now recognizes the gentleman from Indiana, Mr. Pence, for 5 minutes.

Mr. PENCE. Thank you, Chairman Rush and Ranking Member Upton, for holding this hearing, and thank you to the witnesses for appearing before our committee.

The bill before us today misses the mark in addressing issues facing my constituents this winter. Rental assistance is—helps pay the rent. It does not help pay the utility bill. Right now, families across Indiana's 6th district are paying more to heat their home, cook their meals, and drive to work.

Unfortunately, H.R. 6084, as currently written, is an unworkable solution in search of a problem. Our discussions today about reliable energy distribution for electricity generation should focus on access to abundant fuel supplies at an affordable price, as both of you have mentioned today.

If the majority and the Biden Administration want to push the electrification of our economy, particularly our transportation economy, we would need more production of natural gas and expanded capacity of new pipelines to meet increased electricity demands. It is clear, however, that construction of new interstate natural gas pipelines under this Administration could grow increasingly difficult, like Line 5 that Chairman—Ranking Member Upton asked about earlier.

For a state like Indiana, that does not have substantial local resources of natural gas, interstate pipelines serve as an economic lifeline. Having spent my career in the energy distribution industry, I know firsthand that pipelines are the safest, most reliable form of transportation.

A robust and competitive market for fuel distribution is the best way to ensure businesses and consumers have reliable access to affordable energy. Adding a regulatory regime that oversteps state and local authorities, like H.R. 6084, isn't the answer. And I am not real sure that it clears things up and keeps things out of court.

In particular, I am concerned that this bill could expand Federal authorities into intrastate pipelines that are already regulated by my Indiana Utility Regulatory Commission. When I speak with local distribution companies like Southeastern Indiana Gas Company and Mylan, they are not asking for Federal Government to layer on additional regulations. A company like Southeastern needs access to gas supplies at a competitive price, so they can offer affordable services to Hoosiers in our community.

When we consider our future energy outlook, I am concerned that vulnerabilities to reliable fuel transportation could arise from a lack of supply and an over-regulated market, not because FERC needed more broad and unchecked authority, personnel, or money.

Chairman Glick, it appears that this Administration has a singular focus on the complete electrification of our economy, from the cars we drive to the stovetops we use. As we have discussed today, if the goal is electrification, natural gas will need to play a significant role. Expanded pipeline capacity will be all but required to meet the increased electricity demands of our economy. The agenda of this Administration may only deter necessary investments into new pipeline construction. Reliable financial investments into new pipelines will require certainty of a stable market and regulatory environment.

However, competition between Federal and state oversight authorities could cloud the regulatory future, and introduce more uncertainty to potential investors. If certainty is what people need to make investments, how will a regulatory regime like that of H.R. 6084 impact the cost of constructing new interstate or intrastate pipelines to meet increasing electricity demands, and are you supportive of new natural gas pipelines?

Mr. GLICK. First of all, I would say that the—thanks for the question, Mr. Pence. I would say that, first of all, that the—I don't think it would add any—this legislation being enacted would not have any impact, in terms of the construction of natural gas pipelines or the cost associated with the construction of natural gas pipelines. This is really—this legislation and the idea is really focused primarily on—

Mr. PENCE. But wouldn't you agree a pipeline company—some of the increased regulations for cybersecurity may be additional expenses for their company—

Mr. GLICK. It is—

Mr. PENCE [continue]. Which would reduce the amount of dollars they have available for investments?

Mr. GLICK. The long and the short term—I think we have seen this some in the electricity side. I think, if you talk to all the—many of the electricity companies, they would argue the fact that we now have mandatory reliability standards on the electricity side that have actually reduced their cost, because they became more reliable, they don't have to buy backup power. Sometimes they don't have to, you know, to extend the facilities—to go out and build the facility over and over again every time a hurricane comes in—lands in their shores.

And so I think that—I think, actually, in the long term we are talking about a more reliable system—making sure that that actually—the cost to consumers goes down.

Mr. PENCE. Well, you and I disagree on that. I think more regulation costs more money. But I thank you for your time, and I yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the gentleman from Oregon, Mr. Schrader, for 5 minutes.

Mr. SCHRADER. Thank you very much, Mr. Chairman, and thank you for your historic leadership of this committee and your tenure in Congress.

Mr. GLICK, just to get a little perspective here, what has been the trend in pipeline failures and pipeline incidents over the last decade or so? Is it starting to increase? Is that—

Mr. GLICK. I will have to get that information for you for the record. I am not aware of that, Mr.—

Mr. SCHRADER. OK, OK. It is kind of important, because, you know, if we need to change the regulatory framework, it would be, I assume, because we are having more problems.

Mr. GLICK. If I could interject just quickly—

Mr. SCHRADER. Sure.

Mr. GLICK. I think—and again, as we saw in Texas last winter, I think there are problems in terms of natural gas infrastructure, especially with greater incidences of extreme weather. In terms of pipelines themselves, I think we—I would have to come up with some figures for you and we will get back to you.

Mr. SCHRADER. OK, that would be helpful.

Is there evidence that the pipeline companies are not maintaining the pipelines adequately, not doing their due diligence?

Mr. GLICK. I don't have any evidence of that, no.

Mr. SCHRADER. OK, OK. That also seems kind of important to me to help make a decision.

Well, I guess, what is the agency right now doing to ensure pipeline safety? I mean, that is, obviously, an area of expertise for DoE. What are your goals there?

Mr. GLICK. So the authority over pipeline safety is primarily given to PHMSA, but we do have authority—when we site a new interstate natural gas pipeline, we have authority to ensure that the pipeline, essentially, is going to be in the public interest. So we do review the safety elements up front, you know, before it is constructed, to make sure it is planned in the right way and so on. But once the project goes into operation, those issues are handed over to PHMSA.

Mr. SCHRADER. So then we have PHMSA doing a lot of that stuff already, OK.

What is the industry doing to increase the safety of their pipelines? Some are older, they have been around quite some time.

Mr. GLICK. Well, again, I would recommend talking to the industry. But I would say that what we hear from them is they say they are making increased investments to deal with older pipelines. We know the pipeline system is aging around the country.

And then on cybersecurity, they are—what they tell us is they are making certain investments to address cybersecurity threats, as well, to the pipelines.

I would say, though, there is always a weak link in the system when you are talking about what utilities are doing on a voluntary basis. And I would go back again—the recommendations that were

made in 2011 that were voluntary recommendations—this is on the power side, but to weatherize power plants. And generators said, “Oh yes, we are going to do it, we are going to invest, we are going to make sure that our power plants are—next time the cold weather comes around, we are going to be ready.” And the fact is they weren’t, because they didn’t want to make the investments that someone else—that their competitor wasn’t willing to make.

And so I think that is the lesson we need to learn when we consider whether there needs to be mandatory standards on the pipeline side—

Mr. SCHRADER. Well, it sounds like it seems we need oversight, you know. And I would assume the Department of Energy, you guys have regulatory authority to do that to some degree with the states. If it is intrastate, the states would have that authority. It could be brought up to speed on that.

I have some concerns about NERC in this space, to be honest with you. We have had some catastrophic wildfires out in Oregon, and the whole West Coast, for that matter, parts of Colorado. It has been devastating. And I don’t see where NERC’s province seems to be playing heavily in that area to prevent those types of catastrophic wildfires.

I will say Congress has stepped in in many cases. We passed a bill that myself and Representative LaMalfa from California put together that is, hopefully now, going to be implemented, that talks about making it easier for power companies to do hazardous tree removal along power rights-of-way. That is critical, as we have seen in these recent wildfires—I don’t care if it is California, Oregon, you name it—to get those rights-of-way cleaned up. Sometimes it is the Federal agencies, like the Forest Service and BLM, not doing their due diligence, or making it more difficult. Sometimes it is the companies. And our bill, hopefully, will do that. And I would assume your agency will monitor that work pretty closely.

One of the nice things that we have done here most recently in the bipartisan infrastructure bill that passed here this year—nice bill, both parties, everyone involved—is set aside money for wildfire mitigation in our energy network to improve transmission, to make it more reliable. There are grants provided for different companies, different jurisdictions to apply for.

What is the timeliness in getting that money out the door? And I don’t know if that is a question for you, Mr. Glick, or you, Mr. Turk.

Mr. TURK. So this is a game changer, just as you said. The investments in the bipartisan infrastructure legislation, whether it is wildfires, whether it is reliability more generally in the electricity sector, 16 billion—so we are working right now to get all that set up. Some of it requires some new offices. We have said we need to hire 1,000 additional people to make sure that we are doing this in the way we should be doing it. And if anybody who is listening wants to come work at the Department of Energy, we would be happy for them to apply.

So we are going to try to do this quickly. We can’t wait, whether it is wildfire risks, cyber risks. And we certainly feel like there is a necessary mandatory minimum that everyone should be doing, cyber hygiene in particular, on that front. And even if many parts

of the industry are doing what they should be doing, if some parts aren't that is a vulnerability from a national security, from a national infrastructure perspective. And we need to, from our perspective, make sure we have got that foundation, that floor that we can build upon.

Mr. SCHRADER. Just—last comment. Wildfire season is coming, so please hire the people and get the rules of the road written. Thank you.

And I yield back, Mr. Chairman.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the gentleman from North Dakota, Mr. Armstrong, for 5 minutes.

Mr. ARMSTRONG. Thank you, Mr. Chairman. And before I go into my questions on pipelines, I would just like to address why I personally was critical of the release of the strategic oil reserves, and that is because the best case scenario was it was a cynical ploy for the Administration to look like they were doing something for high energy costs.

The worst case scenario is that it shows a complete lack of knowledge by the most—the Administration of the most powerful country in the history of the world as to how, actually, energy markets work. Because the month before they released the strategic oil reserve, WTI price was 81.48. The month after they released the strategic oil reserve the price was 79.83. As of now, it is 84.93. The month before the strategic oil reserve was released, compared to the month after strategic oil reserve was released, gasoline went down by a whopping one cent. But don't worry about it, because right now, January, it is up \$.93, year over year.

So these have—and it has real consequences, because now we feel the strategic reserve at a significantly higher price, costing taxpayers money. So that is just—just to be clear of where and why we would be critical of decisions like that.

Within his first week of taking office, President Biden issued executive order 14008, tackling the climate crisis at home and abroad. And amongst its many problematic provisions is section 209, which requires agencies to target perceived fossil fuel subsidies, and take steps to ensure that Federal funding is not subsidizing certain energy sources.

Aside from the fact that the President is intent on picking winners and losers at the expense of national security, reliability, and affordability, it has come to my attention that employees at the Department of Energy seem to have taken it upon themselves to inform various organizations that the Department will not continue to support research in the fossil fuel space. Employees have referenced President Biden's executive order when advising about awards through fossil energy programs, implying the executive order precludes them from honoring certain awards.

Mr. Turk, is it true that the Department will no longer support research in fossil energy?

Mr. TURK. So we support research across the energy spectrum, including an awful lot of research, and we have more funding coming from the bipartisan infrastructure legislation on—

Mr. ARMSTRONG. Well, let me be more specific.

Mr. TURK [continue]. hydrogen—

Mr. ARMSTRONG. Does the Department support research and technologies like carbon capture and sequestration that result in emission reductions?

Mr. TURK. So we are absolutely investing in carbon capture, utilization, and storage. The Department has for many years, and now we have 10 billion and more for CCUS demonstration programs in the bipartisan infrastructure legislation that we look forward to working with North Dakota and other states around the country on.

Mr. ARMSTRONG. Well, now I want to turn specifically to programs utilized in North Dakota that have a substantial impact on fossil energy research, and understand what the Department will prioritize over the next year.

The Department's fiscal year 2022 budget zeroes out the unconventional fossil energy technologies budget line. This seems to be a huge mistake, given the energy independence the United States has developed over the last decade.

While the Department is seeking to eliminate future funding for this program, will you commit to the Department funding key unconventional energy projects that have already been awarded and are underway in North Dakota?

Mr. TURK. So I would have to look at the particular projects that you are talking about to make sure I am giving you a responsive answer. So happy to take that for the record, or have a side conversation.

Mr. ARMSTRONG. Thank you, I appreciate that.

Through the Energy and Environmental Research Center in Grand Forks, North Dakota, it is intricately involved in the Department's regional carbon sequestration partnership. With over 120 public and private-sector stakeholders, the Plains CO₂ Reduction Partnership is laying the groundwork for permanent, safe, and practical underground storage of carbon dioxide from industrial facilities in the region. The Department has worked with us in the past, and I am hopeful that they will continue to honor their commitment to provide continuing funding for the regional partnership, including the Plains CO₂ partnership.

In addition to working on carbon sequestration, the ERC has assembled a key test center for solid oxide fuel cells for the Department of Energy. It is anticipated, for a previously approved proposal, that this is—this center will receive 2 million in the fiscal year 2022 to continue to support research efforts. Will the Department commit to honoring the solid oxide fuel cells test center and other previously-approved proposals?

Mr. TURK. So again, happy to get to you on the particulars. We don't yet have our fiscal year 2022 budget. We are still on a CR, so it is difficult to plan those kinds of things.

And let me underscore, as well, on the CCUS side, we have a North Dakotan, Brad Crabtree, who is the nominee to lead our fossil energy and carbon management office, and we hope he is confirmed very quickly, so he can help North Dakota and other states around the country.

Mr. ARMSTRONG. Well, I think I speak for all of my colleagues in the House to say we would like to have more of a say in confirmations, but that really happens on the north end of the Capitol.

And with that, I will yield back.

Mr. RUSH. The gentleman yields back. The Chair now recognizes the gentlelady from New Hampshire, Ms. Kuster, for 5 minutes.

Ms. KUSTER. Thank you, Mr. Chairman, and thank you for organizing this hearing today to discuss Federal efforts to strengthen pipeline safety and reliability.

And Chairman Rush, I also want to take a moment to recognize you at this first Energy Subcommittee hearing after your recent decision to retire from Congress. You distinguished yourself over a lifetime of service to your beloved city of Chicago, and to this nation, and our country is a better place because of your commitment to racial justice and dedication to ensuring that the most vulnerable among us are not left behind.

Mr. RUSH. Thank you.

Ms. KUSTER. As the May 2021 Colonial Pipeline cyber attack drove home, our nation's energy system is only as reliable as the security of the digital systems that serve as the backbone for America's energy distribution. And I am pleased that the committee is reviewing the Energy Product Reliability Act, which will enhance the cybersecurity and reliability of our nation's energy infrastructure.

Most Americans would be shocked to learn that the Federal Government has done little to ensure—excuse me—that our nation's pipelines are secure. As we saw after the Colonial Pipeline cyber attack, this failure to provide clear guidance to industry has a direct impact on consumers. Up and down the East Coast, gas prices surged because of this cyber attack, and Americans were left waiting in line to fill up their cars, and paying more for the fuel they need.

The results of future cyber attacks could be even worse. The North American Electricity Reliability Commission, NERC, has warned of potential winter electrical outages in New England, due to constraints on natural gas supply. If the pipeline networks that supply our region with natural gas are compromised during a cold snap, the effects on electricity generation and home heating will be immediate.

Chairman Glick, what would be the effects on New Hampshire if pipelines delivering natural gas to New England were compromised by a cyber attack?

Mr. GLICK. Thanks for the question, Ms. Kuster.

So currently, New England is—a significant portion of the New England electric generation facilities are fueled by natural gas. Some of them are dual-fueled, with also heating oil, for instance, or some type of oil. But a lot of them are just fueled directly by natural gas. So it is a—I think it is, like, in the neighborhood of 18,000 megawatts, or something like that, in New England is fueled by natural gas.

And so clearly, if there is a supply disruption with regard to pipelines, for instance, and those facilities can no longer run, on a very cold day, in particular in the winter, that would certainly endanger the reliability of the electric grid in New England.

Ms. KUSTER. And will this bill, the Energy Product Reliability Act, improve the security and reliability of pipelines that deliver natural gas to our region?

Mr. GLICK. I think establishing some sort of mandatory standards process, such as we have on the electric grid side for interstate natural gas pipelines, in my opinion, would certainly enhance the reliability of the grid, and reduce the threat of gas supply disruptions, which would also lead to electricity supply disruptions.

Ms. KUSTER. Thank you. Now, switching gears, this is—opportunity to note how clean energy resources can help support a more reliable electric system.

In a hearing earlier this year, David Hardy, the CEO of Orsted America, gave testimony to this committee, where he emphasized that offshore wind turbines are built to operate reliably in extreme winter climates. During the 2018 polar vortex, when New England faced an extreme cold snap, its hydropower resources were held in reserve to back up a—energy system. And thanks to hydropower, the New England electric system stayed online.

Mr. Turk, in the event a cyber attack limits natural gas supplies into New England, could a more diverse power generation portfolio, that includes clean energy resources like offshore wind and hydro, help prevent electricity shortfalls?

Mr. TURK. Well, the short answer is absolutely. And offshore wind can be incredibly important in that. Hydro can be important—and thank you for all your leadership with the Three R's, and all your efforts on that front. We feel incredibly strongly hydro is such an important part of the equation.

Storage is such an important part of the equation. Hydrogen, if we can get clean hydrogen at the volumes, we would like to get clean hydrogen.

So there is a variety of diverse sources. And the infrastructure bill that was passed bipartisan from the Congress gives us new authority to try to push those out as quickly as we possibly can.

Ms. KUSTER. Great. Well, I can't do better than that. Very kind kudos to our 3Rs. I call it a damn good idea.

And I just use this moment to ask the chairman if we could schedule a subcommittee hearing in the Energy Subcommittee on hydro in the near future. And with that, I yield back.

[Pause.]

VOICE. Mr. Chairman, I think you are on mute.

Mr. RUSH. I am on mute. The Chair now recognizes the gentlelady from California, Ms. Barragán, for 5 minutes.

Ms. BARRAGÁN. Thank you, Mr. Chairman, for holding this important hearing on pipeline reliability, and for your work to elevate this issue.

In the last year we have seen the consequences of our country's dependence on fossil fuels, from the gas supply issues during the Texas winter storm power outages to the hacking of the Colonial Pipeline that threatened the energy supply of parts of the Southeast and mid-Atlantic. America needs to aggressively transition off fossil fuels to clean energy for a climate, environmental justice, and our energy security.

But while we work to reduce our dependence, residents and businesses can't afford the severe disruptions that can come with pipeline breaks, leaks, and cyber attacks. These disruptions also pose threats to workers in our—to our environment and our national security. We need improved reliability, safety, and environmental

standards for our pipelines, and accountability for when they are not followed.

My first question is for you, Deputy Secretary Turk. In October of last year there was a major oil spill caused by the rupture of an underwater pipeline four-and-a-half miles off the coast of Long Beach, near my district. While the investigation is still ongoing, indications are a ship anchor disrupted the pipeline months before the spill was detected, and the leak could have been ongoing long before it was detected.

It is also important to have reliability standards for offshore energy pipelines. Is that accurate?

And how does your Department work with the Department of the Interior, which has primary jurisdiction over off-line pipelines to ensure energy security and environmental hazards such as leaks or breaks can be detected?

Mr. TURK. Well, Congresswoman, let me just completely agree with you that we have got to go very, very ambitiously and aggressively on a full, diverse range of clean energy sources good for our climate, good for affordability, good for resiliency and reliability. And at the same time, make sure that our existing energy infrastructure is secure, is safe, is reliable.

We work hand in hand with the Department of the Interior, not just on the underwater pipeline issue, but a variety of other key issues, as well. And whether it is underwater pipeline or pipeline on land, certainly from our perspective, we need to have a minimum set of standards to make sure that all of our populations across the country, including those on the coast, like yours in California, are protected.

Ms. BARRAGÁN. OK. Are there any adequate Federal standards in place to secure offshore energy infrastructure from hazards, such as leaks or breaks in offshore pipelines, that can devastate the environment?

Mr. TURK. So the chairman should certainly come in here, as well. My understanding is there is some regulatory, at least on the safety side. I think PHMSA has some coverage, but maybe it is in tandem with some other parts of Interior, as well, on this particular issue.

But again, this is one thing that has come up again and again on this hearing, is avoiding a patchwork and making sure that we have got coherence. And what we focus on, from the Department of Energy side of things, is making sure we have got coherence across energy systems and across the whole parts of energy systems, in particular. And we just need to make sure that that is the case for any infrastructure-related energy, from our perspective.

But Chairman, if you would like to, comment further on the existing authorities.

Mr. GLICK. Thank you, Deputy Secretary.

Just quickly, Congresswoman, I do believe that PHMSA has the responsibility, but also the Interior Department shares responsibility with PHMSA over the safety of those particular facilities.

Ms. BARRAGÁN. Right. Well, thank you for working for—with the Department of the Interior to—I believe it is important we have reliability standards so—regardless of where the pipelines are, under water or above ground.

Deputy Secretary Turk, how vulnerable are offshore oil rigs to cyber attack, and what can be done at a Federal level to improve the security of their computer systems?

Mr. TURK. So, from our perspective, what we see in classified setting and the public reporting is there is a variety of threats: criminal gangs, ransomware, and state actors, as well, across key parts of our energy infrastructure.

And so offshore rigs are certainly part of the critical part of our key energy infrastructure as it currently exists, and we need to make sure they are safe, just like pipelines are safe, just like electricity is safe. So we can't have any weak links.

Ms. BARRAGÁN. Well, great. Thank you.

Chairman Glick, I am out of time, but what I am going to do is submit my question on methane leaks from natural gas infrastructure to you, and we will look forward to getting a response to that.

[The information follows.]*****COMMITTEE INSERT*****

Ms. BARRAGÁN. With that, Mr. Chairman, I yield back.

Mr. RUSH. The gentlelady yields back. The Chair now recognizes the gentlelady from Delaware, Ms. Blunt Rochester.

[Pause.]

Mr. RUSH. Oh, wait, wait, no. I see Mr.——

[Pause.]

Mr. UPTON. Mr. Chairman, we have Mr. Carter here, ready to go.

Mr. RUSH. The Chair now recognizes Mr. Carter for 5 minutes.

Mr. Carter, you are recognized for 5 minutes.

Mr. CARTER. Thank you, Mr. Chairman, and thank both of you for being here.

I know that this hearing is supposed to be for pipeline reliability, but it is not often that we get the chairman of the FERC, as well as the number-two man in the Department of Energy in front of us. So instead of discussing the creation of a new level of bureaucracy for pipelines, we should be fighting the current energy crisis.

Gentlemen, I want to read from the Department of Energy's website. "The mission of the Energy Department is to ensure America's security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions."

A year ago, the United States of America was energy independent. There are some of those who would say that we were energy dominant. We were actually exporting energy. And I would say that the Department of Energy was actually adhering to its mission pretty well at that time.

You know, I am old enough to remember the late seventies, when we realized that we were too dependent on foreign countries for our energy needs, and we did something about it. We set out to achieve energy independence, and we achieved that. We did just that, to the point, as I indicated just a second ago, that we actually were able to achieve energy dominance.

But today that is not the case. Energy prices have skyrocketed. The most obvious for my constituents is the prices at the pump. The Energy Information Agency has raised its outlook for gas for 2022, saying that we are at risk of hitting \$4 a gallon as a national

average. AAA, last week, said that gas prices in Georgia have increased, and are nearly \$1 more than this time last year.

Gentlemen, I have the honor and privilege of representing the entire coast of Georgia, including the two metro areas of Savannah and Brunswick, and they, in my district, have the average—the highest average gas prices in the state, higher than even in the Atlanta metro area. Savannah and metro areas are—which are in my district, these two areas are home to two of the country’s busiest ports, seaports, where we have seen firsthand how the energy crisis has exasperated the supply chain crisis.

American families and businesses are being crushed by expensive utility bills. Electricity is up over six percent in the last year. Natural gas is up over 25 percent. Also, energy costs are the top driver of the record inflation we see today. So families are feeling it everywhere.

Deputy Secretary Turk, I want to ask you, considering the Department of Energy’s mission, as I quoted before, what are you doing to ensure American energy security and affordable energy for all Americans?

Mr. TURK. So thank you for the question, and I have to say I feel incredibly proud to be part of this Department of Energy, and this Administration, and I think we are pushing all the authorities that we have, all the funding streams that we have, including 62 billion in new funding authorities that the Congress has given us through the bipartisan infrastructure legislation to build the diverse, secure, affordable, resilient energy supplies that we need in the future, not just today, but 5 years, 10 years from now, to benefit all our U.S. citizens, all our U.S. people around our country.

And prices are too high right now. COVID has thrown the supply and demand for oil and gas out of whack, and we are suffering from that. We have got a near-term problem. It is not caused by pipelines, it is not caused by other things. It is caused by COVID, and we are trying to deal with that.

Our strategic petroleum reserve is to try to shave that top part of that curve, as our domestic supplies, other supplies around the world for oil catch up with where demand is because we are now increasing our economy coming out of COVID, which is a great thing, but energy supplies have not matched up with that. In 2022 we will have the supplies meet the demand. We are just in a real tough spot right now. But absolutely, we are focused on affordable—

Mr. CARTER. Let me ask you this, Mr. Turk. And with all due respect, you mentioned the Strategic Petroleum Reserves. Do you think it is important for the United States to maintain its energy independence?

Mr. TURK. So absolutely. And I think it should be important for Europe, for Japan, for other countries around the world.

Mr. CARTER. Yes, but we are not talking about Europe and Japan. We are talking about the United States of America.

I remember former Secretary of State, Mike Pompeo, saying what a great asset it was to be able to travel to other foreign countries, and know that we had energy dominance and energy independence. Yet we don’t have it now. We have actually had to ask the Middle East to pump more oil in order to do it.

You mentioned the Strategic Petroleum Reserves, and I know that the Administration made available 50 million barrels of oil to lower prices for Americans. How much of an effect did that release from the SPR have on oil prices?

Mr. TURK. So just to be clear, energy security is also offshore wind and solar, and wind, and storage, and—

Mr. CARTER. Understood.

Mr. TURK [continue]. hydrogen—

Mr. CARTER. That was not my question.

Mr. TURK [continue]. Nuclear. On the SPR piece of it, what we designed was a carefully set—a sale and an exchange, tied together for the particular moment in time we are with this supply and demand disruption.

On the exchange part, what we designed that to do is shave off that top part of the curve, provide some affordability, provide some additional affordability protection for American consumers who are paying too much at the pump—completely agree with you on that—and the exchange means that oil and gas companies actually return more product into the SPR on the back end of this. So it is good for the SPR, good for consumers.

Obviously, it is a huge oil economy, and a huge oil market out there, and there is a lot of forces outside of our immediate control. But we are doing everything we can to promote affordability—

Mr. CARTER. Is that what the SPR was intended for, was to bring down prices like this?

Mr. TURK. So it is dealing with a supply challenge, a near-term supply challenge caused by COVID. And the SPR is one tool in the tool belt that I have to say we spent two more—many months designing this particular exchange mechanism—

Mr. RUSH. The gentleman's time is—

Mr. TURK [continue]. Like it is really fit for this moment.

Mr. CARTER. Thank you. My time has expired, and I yield back.

Mr. RUSH. For the record, let me say that these are questions from members who have waived on to the subcommittee. And so we are now entertaining questions from those Members of Congress who waived on to the subcommittee.

And with that said, the Chair now recognizes the gentlelady from Texas, Mrs. Fletcher, for 5 minutes.

Mrs. Fletcher, you are recognized.

Mrs. FLETCHER. Thank you so much, Chairman Rush. Thanks to you and Ranking Member Upton for holding this important hearing, and for allowing me to participate.

I would like to thank the witnesses for taking the time to testify.

Energy reliability is key to ensuring safety and security of our energy supplies and our communities. In my home state of Texas we saw just last year the real-life impacts of supply disruption, the potential collapse of our grid during the coldest days of the year. And it really can't be overstated: our fellow Texans, our fellow Americans, froze to death in their homes.

And I remain concerned, looking at the minimal action we have seen from state legislators and our governor, that Texas is not truly prepared for the next storm. And that is why this bill is a good starting point for a discussion on how to improve energy reliability. I think there are some improvements that can still be

made, and I look forward to discussing those issues with our panelists today, and I have two issues I want to touch on in the time that I have.

First, the need for developing new pipeline infrastructure. A significant energy reliability challenge is that permitting-related obstacles in some localities have prevented the expansion of pipeline infrastructure where it is needed. To my understanding, the proposed organization that we are talking about in the draft, some kind of EPRO organization, would forbid the new reliability regulator from setting standards for adequacy of pipeline infrastructure.

For example, ISO New England, which operates the electric power grid in New England, states that the region is vulnerable to pipeline interruptions because there has been tremendous growth in natural gas-fired generating capacity. But the natural gas pipelines that deliver low-cost shale gas into the region have not been expanded at a commensurate pace. And in the last few weeks New England has had to resort to using fuel oil to meet their energy needs.

Burning fuel oil is one of the least environmentally friendly sources of power generation. In 2020, one percent of power generation nationwide was from fuel oil, and in the last month, as much as 24 percent of New England's grid relied on fuel oil as a power source.

So I want to ask both of our witnesses to quickly answer whether you agree with ISO New England, that more pipeline capacity is needed to promote reliability in certain regions that currently have constraints.

And also, if you could, say whether you feel that a potential natural gas and pipeline reliability regulatory body, as discussed in this legislative draft, should include authority to look at pipeline capacity issues when considering overall reliability.

And then I have a second issue I want to touch on, as well, so if you could answer those questions, I would appreciate it.

Mr. GLICK. So, Mrs. Fletcher, if I could respond first—this is Rich Glick—so with regard to New England, I think the issue isn't whether they need new gas pipeline capacity. They need new capacity to get additional energy, whether it be through transmission lines or natural gas pipelines or building more generation in the region. The reason—and FERC actually has authority to site natural gas pipelines, interstate natural gas pipelines around the country. And one of the things we have to do is find out whether—we have to determine whether the project is needed or not before issuing a certificate to authorize the pipeline.

And in New England, the issue hasn't been necessarily government stopping—we are not permitting pipelines. The issue is pure economics. Natural gas pipeline developers don't want to build those pipelines unless the electric generator customers agree to take firm capacity, agree to pay them throughout the year for the pipeline capacity. But in fact, they only need the gas maybe ten days out of the year, when it is really cold. And so there has been a kind of a two ships passing in the night situation, really, with regard to electric generators and natural gas pipelines, which is

why natural gas pipeline capacity hasn't been built in New England.

With regard to the provision in H.R. 6084, it is very similar to a provision that was in the electricity reliability language that was enacted in 2005, essentially forbidding NERC to order electric generating—electric utility companies from building electric transmission capacity. And so I think there is an issue about usurping jurisdiction, usurping the state's jurisdiction to tell the utilities to build pipelines, or build local distribution facilities. So it is really more of a jurisdictional issue as to who should have that responsibility to build pipeline capacity when it is needed.

Mr. TURK. In the interest of time, let me just agree with the chairman. And certainly, New England is very complicated, but we need to work with our state and local utility and other colleagues to try to bring some fixes there, because it is just not right for the consumers who face those kind of prices and challenges.

Mrs. FLETCHER. Well, thank you for that quick answer. The 5 minutes does go quickly, so I will submit my second question for the record. But what I would like to know from you is whether a proposed reliability regulator should include a focus on issues at the wellhead, like we saw in Texas during Winter Storm Uri. I will submit that for the record.

[The information appears at the conclusion of the hearing.]

Mrs. FLETCHER. And Mr. Chairman, with that question, I have cited an article from Texas Monthly that Ms. Castor referenced earlier in the hearing. I would love to seek unanimous consent to—this Monthly article into the record for this hearing.

But thank you again for letting me participate, and I yield back.

Mr. RUSH. Without objection, so ordered.

Mr. RUSH. That concludes the witness—

[Audio malfunction.]

Mr. RUSH [continue]. Our witnesses here participating in today's hearing.

I want to at this time remind members that, pursuant to—they have ten days to submit additional questions for the record. Answers by the witnesses—I ask each witness to respond promptly to such questions that you may receive.

Before we—

[Audio malfunction.]

Mr. RUSH. I request unanimous consent to enter into the record the following—

[Audio malfunction.]

Mr. UPTON. Mr. Chairman, we have seen the list, and we have no objection.

Mr. RUSH. All right. Without objection, so ordered.

[The information appears at the conclusion of the hearing.]

Mr. RUSH. And at this time the subcommittee stands adjourned.

[Whereupon, at 1:56 p.m., the subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]



The Honorable Frank Pallone
Chairman
House Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
House Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Bobby Rush
Chairman
House Subcommittee on Energy
United States House of Representatives
Washington, DC 20515

The Honorable Fred Upton
Ranking Member
House Subcommittee on Energy
United States House of Representatives
Washington, DC 20515

Dear Chairman Pallone, Ranking Member Rodgers, Chairman Rush, and Ranking Member Upton:

The American Gas Association (AGA), founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 77 million residential, commercial, and industrial natural gas customers in the U.S., of which 96 percent — more than 73 million customers — receive their gas from AGA members. The American Public Gas Association (APGA) is the trade association for approximately 1,000 communities across the U.S. that own and operate their retail natural gas distribution entities. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies, all locally accountable to the citizens they serve. Today, natural gas meets more than one-third of the United States' energy needs.

Natural gas is a necessary fuel for a clean and affordable energy future, providing benefits for the economy, our environment, and our energy security. Alongside the economic and environmental opportunity natural gas offers our country, there comes great responsibility to ensure pipeline system integrity and resilience. AGA and APGA support the Energy and Commerce Committee's commitment to the same mission and note that natural gas utilities have a proven record of delivering energy safely, securely, and reliably. As such, AGA and APGA write to share their perspective on H.R. 6084, the *Energy Product Reliability Act*. While drafted with the laudable goal of enhancing pipeline reliability, H.R. 6084 will instead complicate existing natural gas system governance at the state and federal level, which could impair system operation. Furthermore, as discussed below, certain federal agencies, the states, and local officials have existing authority



over gas system operations, security, services, and business practices, which all impact reliability, and should be exercised as needed. As such, AGA and APGA support enhancing existing federal agencies' regulatory and nonregulatory initiatives to promote pipeline reliability, while also respecting state and local jurisdiction.

AGA and APGA do not support the concept of an Energy Product Reliability Organization (EPRO), as proposed in H.R. 6084. This overly broad concept raises legal, regulatory, market, and jurisdictional concerns. Natural gas utilities, also known as local distribution companies, are currently subject to oversight by federal, state, and local entities with regulatory authority over pipeline safety, integrity, reliability, and security. At the federal level, these are the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Department of Homeland Security, Transportation Security Administration (TSA).

PHMSA's pipeline safety regulations dictate design, material, engineering, construction, operation, maintenance, and emergency response. TSA has similar authorities and responsibilities over distribution pipeline system physical and cyber security. At the state level, Public Utility Commissions, State Pipeline Safety Offices and State Energy Offices also have jurisdiction over distribution pipeline safety and security. This overlapping state and federal authority, the practical fact that pipelines are primarily underground, and a decades-long stellar reliability record through numerous manmade and natural disasters proves that the distribution pipeline system is inherently reliable infrastructure. The Federal Energy Regulatory Commission (FERC) has jurisdiction over interstate pipeline facilities and related service, pursuant to the Natural Gas Act, while state or local regulators have authority over intrastate natural gas pipelines and distribution systems. Moreover, FERC already has broad authority over interstate pipeline terms of service and business practices. As such, H.R. 6084 appears to create duplicative or overlapping federal authority over the operation of the entire natural gas system, which infringes on the authority of existing regulators. Due to these jurisdictional and regulatory complications, the EPRO, as contemplated by H.R. 6084, might simply complicate pipeline governance, as compared to increasing reliability.

H.R. 6084 not only adds unnecessary additional federal oversight but places it under FERC. While FERC has expertise with regard to interstate transmission pipelines, it has no authority, pursuant to the Natural Gas Act, over state and locally regulated natural gas utilities or intrastate transmission pipelines. As drafted, H.R. 6084 would provide FERC with oversight over natural gas utilities, thereby creating grave potential for conflicting oversight in all 50 states. This is because state or local governments have jurisdiction over retail natural gas service, the facilities that provide such service, as well as intrastate pipelines. State and local jurisdiction over



distribution facilities, intrastate transmission pipelines, and related services cannot be overemphasized.

H.R. 6084 appears to provide FERC with overlapping authority, already within TSA's and PHMSA's purview, and provides FERC with authority over natural gas utilities, which are under state authority. Such a jurisdictional paradigm is redundant and will cause conflict among regulators and confusion among operators as to which regulator has authority and which regulations are applicable. If FERC is to be provided with additional authority over reliability, it should not conflict with the existing authority granted to other federal agencies, the states, and local officials.

H.R. 6084 focuses on pipeline reliability in the context of natural gas fueled electric generation and applies the current reliability organization construct used in the electric sector on to the gas system. However, it is important to point out that natural gas and electric systems operate very differently due to the nature of the commodity transported. Therefore, a policy that works in one industry, may not be applicable or appropriate for the other. For example, an outage in one area of the gas utility system will not have an immediate cascading effect in other areas, as it might with the electric system. On the contrary, an outage on a natural gas utility system would most likely be localized. Notably, unlike the electric grid, reliability and cybersecurity for natural gas utilities are not necessarily intertwined. Natural gas utilities can be operated manually. Moreover, unplanned retail natural gas outages are much rarer than electric outages. For example, in a 2018 study, unplanned outages affected about 1 in 800 natural gas customers per year, in comparison to electric distribution systems which had on average one outage per customer per year.¹

Additionally, the natural gas and electric systems and markets have different legal and regulatory constructs. Natural gas system contracting, nominations, and capacity allocation are very different than what exist in the electric system. Natural gas pipeline systems do not operate in an RTO or ISO market structure such as exists in the electric sector. Rather, pipeline services are governed by specific tariff and contract terms. Furthermore, electric generators are not the only shippers on interstate pipelines. Local distribution companies are customers of virtually every interstate pipeline and natural gas utilities rely on pipelines to satisfy their obligation to serve customers.

In short, natural gas utilities require reliable service from the pipelines. While AGA and APGA support the Energy and Commerce Committee's commitment to reliability and safety, a mission our industry shares, our concern is that H.R. 6084 may not actually increase reliability. AGA and

¹ Gas Technology Institute. [Assessment of Natural Gas and Electric Distribution Service Reliability](#). 2018.



APGA encourage Congress, FERC, TSA, PHMSA, the states, and local officials to work together, under the current regulatory construct, to strengthen the integrity, security, reliability, and resilience of the natural gas system. Working within the current structure would be more efficient than creating an entirely new entity to oversee reliability.

Respectfully,

A handwritten signature in black ink, appearing to read "Stuart Saulters".

Stuart Saulters
Vice President of Government Relations
American Public Gas Association

A handwritten signature in black ink, appearing to read "George H. Lowe".

George H. Lowe
Vice President,
Governmental Affairs & Public Policy
American Gas Association

December 7, 2021

The Honorable Frank Pallone
Chairman
House Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
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The Honorable Fred Upton
Ranking Member
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United States House of Representatives
Washington, DC 20515

Dear Chairman Pallone, Ranking Member Rodgers, Chairman Rush, and Ranking Member Upton:

The undersigned trade associations, representing nearly all aspects of energy pipeline operations that serve customers reliably across North America, write to share our perspective on pipeline reliability and specifically H.R. 6084, the Energy Product Reliability Act. We share the Committee's focus on ensuring that U.S. energy transportation is safe, reliable, and affordable. However, we are concerned that proposals to create a new, additional pipeline reliability regulator fail to reflect pipelines' proven reliability record and risk duplicating and conflicting with existing federal and state agency regulatory authorities and programs. H.R. 6084 will not enhance pipeline reliability—on the contrary, it risks impairing and complicating ongoing efforts to protect pipelines against cyber threats. Our organizations stand ready to work constructively with the Committee to identify productive opportunities to enhance existing federal agencies' regulatory and nonregulatory initiatives to promote the reliability of America's energy system.

Pipelines by their design are inherently reliable infrastructure, built underground in compliance with exacting safety regulations and engineering standards, and pipelines have a demonstrable history of performing well during emergencies. Indeed, when energy flows were disrupted after major events, such as hurricanes or winter cold snaps, the pipeline system remained in service. In most instances in which there was an inability to deliver energy to customers, the problem was not a pipeline issue but was primarily due to the unavailability of electricity for tanker truck terminals to pick up gasoline or diesel or the inability of generators to procure natural gas to put into the pipeline system. The interconnected pipeline networks in the U.S. also allow rerouting around outages and provide access to diverse sources of energy production and storage all across our country that can supply local regions.

In-depth analysis of pipeline performance confirms the reliability of our pipeline network. For example, in 2016, fewer than 100,000 natural gas customers nationally experienced disruptions,

while 8.1 million Americans experienced power outages.¹ Similarly, a 2017 INGAA survey of 51 interstate natural gas pipelines confirmed that over the ten-year period from 2006–2016, pipelines delivered 99.79% of contractual commitments to firm customers at the primary delivery points specified in their contract. During extreme weather events, pipelines have a verified record of *enabling* energy reliability—including reliable electricity generation—rather than hindering it. For example, the FERC-NERC joint investigation into Winter Storm Uri earlier this year concluded that natural gas pipelines “performed as expected . . . were not significantly affected by the cold weather and freezing conditions. . . . [and] were only minimally affected by power outages because most have gas-fired compressors, redundant compression, and backup power.”² With respect to petroleum pipelines, Congressional review of the winter propane shortage in the Upper Midwest in 2014 found more than enough pipeline capacity was available for propane distributors to prepare for the cold weather season by stocking up supplies in previous months, but distributors failed to do so when they had the opportunity.

The cybersecurity authority that H.R. 6084 would give to FERC and the proposed Energy Product Reliability Organization duplicates existing and forthcoming U.S. Transportation Security Administration (TSA) pipeline cybersecurity and physical security programs and requirements. In May, TSA issued pipeline cybersecurity Security Directive (SD) 01, under which pipeline operators: 1) began formally reporting cyber incidents to the federal government, 2) reviewed their cyber programs, and 3) established 24/7 points of contact for government communication. In July, TSA issued a second, more extensive directive, SD 02, requiring pipeline operators to: 1) implement dozens of specific mitigation measures to protect against ransomware attacks and other known threats to information technology and operational technology systems, 2) develop and implement cybersecurity contingency and response plans, and 3) undergo annual cybersecurity architecture design reviews. Furthermore, TSA has indicated that it will undertake a notice and comment rulemaking to develop a permanent regulatory program in light of the temporary nature of the SDs. Similarly, the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) is responsible for setting pipeline design, maintenance, operations, and emergency preparedness regulations, many of which are intertwined with reliability and would be duplicated by or in direct conflict with potential Energy Product Reliability Organization standards.

H.R. 6084 not only creates duplicative and conflicting federal oversight authority, but it also interferes with state regulation of intrastate pipelines. From the natural gas perspective, FERC does not have authority over intrastate natural gas transmission pipeline systems or the natural gas distribution pipeline systems that local distribution companies operate; that authority belongs to individual state public utility commissions and other relevant regulatory entities. H.R. 6084 would directly conflict with the current scope of the Natural Gas Act and, without justification,

¹ NATURAL GAS SYSTEMS: RELIABLE & RESILIENT, NATURAL GAS COUNCIL (2017), <http://naturalgascouncil.org/natural-gas-systems-reliable-resilient/>.

² THE FEBRUARY 2021 COLD WEATHER OUTAGES IN TEXAS AND THE SOUTH CENTRAL UNITED STATES, FERC & NERC (2021), <https://www.ferc.gov/news-events/news/final-report-february-2021-freeze-underscores-winterization-recommendations>.

completely upend how natural gas distribution and other intrastate pipelines are regulated nationwide. Potential conflicts with preexisting state jurisdiction over intrastate pipelines cannot be overemphasized.

In short, the new Energy Product Reliability Organization's sweeping regulatory authority is redundant when considering the authority already possessed by TSA, PHMSA, FERC, or other Federal or State agencies. Congress should pursue targeted solutions to specific problems rather than create an expansive new regulator that potentially will interfere with reliability-focused efforts of existing agencies and the energy industry.

Simply duplicating the electric reliability organization framework and applying it to pipelines will not effectively promote pipeline reliability. There are substantial differences in operations, markets, and regulations between pipeline systems and the electric grid. Moreover, with respect to electric reliability, it is important to recognize that petroleum and petroleum product pipelines transport crude oil, refined petroleum products and natural gas liquids, and that regional electric generation and transmission systems do not depend on such products for reliable operation.

Lastly, we note two significant limitations of the energy product reliability organization proposal that would impede its effectiveness. First, permitting-related obstacles to developing, expanding, and modernizing pipeline infrastructure—both at the federal and state level—represent perhaps the most significant threat to pipeline reliability, but the energy product reliability organization would not be equipped to resolve these obstacles. Industry efforts to further improve the reliability of pipeline systems are hampered when federal and state regulators resist expanding and modernizing those systems. This is particularly true in regions of our country that have increased their use of natural gas, oil, and refined products without a commensurate increase in pipeline capacity.³ Second, no pipeline reliability standard can change pipelines' obligations to serve customers in accordance with their federally- or state-regulated tariffs. It is those tariffs that determine which customers are prioritized for pipeline capacity during constrained periods, often based on pipeline customers' own choices about the level of reliability for which they wish to contract.

Our organizations believe that all members of Congress, and all Americans, expect that energy pipelines should be reliable—as do we. We are committed to working with the Committee and stakeholders from other industries to identify targeted policies to promote pipeline reliability, but we are concerned that the energy product reliability organization concept misses that mark. Energy product reliability is a function of the energy industry as a whole, and singling out pipelines is not an effective solution. As the Committee considers future hearings to discuss pipeline reliability, we encourage you to seek input from the federal and state government

³ For example, ISO-New England has noted that the region is vulnerable to pipeline interruptions because there has been “tremendous growth in natural-gas-fired generating capacity . . . [b]ut the natural gas pipelines that deliver low-cost shale gas into the region have not been expanded at a commensurate pace.” *Natural Gas Infrastructure Constraints*, ISO-NEW ENGLAND, <https://www.iso-ne.com/about/what-we-do/in-depth/natural-gas-infrastructure-constraints> (last visited Nov. 30, 2021).

agencies noted above, pipeline operators, pipeline customers, and related stakeholders of the energy delivery network to understand and address the myriad of issues raised by H.R. 6084 or similar legislation.

Thank you for your consideration of these comments, and we look forward to working with the Committee to promote pipeline reliability.

Sincerely,

**American Fuel & Petrochemical
Manufacturers**

American Gas Association

American Petroleum Institute

American Public Gas Association

Association of Oil Pipe Lines

GPA Midstream Association

**Interstate Natural Gas Association of
America**

Natural Gas Supply Association



NARUC

National Association of Regulatory Utility Commissioners

January 18, 2022

The Honorable Frank Pallone
Chairman
House Committee on Energy &
Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Cathy McMorris
Rodgers
Ranking Member
House Committee on Energy &
Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Bobby Rush
Chairman
House Subcommittee on Energy
United States House of Representatives
Washington, DC 20515

The Honorable Fred Upton
Ranking Member
House Subcommittee on Energy
United States House of Representatives
Washington, DC 20515

RE: H.R. 6084 The "Energy Product Reliability Act"

Dear Chairman Pallone, Ranking Member Rodgers, Chairman Rush, and Ranking Member Upton:

On behalf of the National Association of Regulatory Utility Commissioners (NARUC) I am writing to express our concerns about H.R. 6084, the "Energy Product Reliability Act." NARUC shares the Committee's interest in providing for a safe, reliable, and affordable energy transportation system in the U.S. NARUC's members are the nation's "boots on the ground" for ensuring the natural gas pipeline systems are operated and run safely, through our partnership with the Pipeline and Hazardous Materials Safety Administration (PHMSA.) Additionally, our members regulate natural gas local distribution companies (LDC) to ensure that end use consumers receive safe and reliable service at just and reasonable rates, terms, and conditions.

While the bill is obviously well intentioned, NARUC's members remain troubled by the preemption and lack of coordination with existing federal programs required by H.R. 6084. Under the Natural Gas Act, state regulatory commissions have jurisdiction over intrastate natural gas transmission systems and the natural gas distribution systems operated by the LDCs. This legislation alters this current regulatory framework by expanding the Federal Energy Regulatory Commission's (FERC) and the proposed Energy Product Reliability Organization's (EPRO) jurisdiction over aspects of intrastate transmission and LDC systems. The bill also unnecessarily duplicates existing federal programs that already specifically address cyber and physical security. And, at a minimum, the proposal to allow the EPRO to



NARUC

National Association of Regulatory Utility Commissioners

set enforceable standards concerning “coordination of delivery and availability of energy products to ensure reliable electricity generation” needs clarification. The legislation overall is unclear as to what, exactly, are the limits to federal preemption of state jurisdiction under this bill.

The undefined broad authorities granted by this legislation are a recipe for needless litigation at taxpayer expense. The clear duplication of existing programs will lead to unneeded compliance expense. Both translate directly into higher energy costs for consumers – in exchange for the federal government’s “promise” of “enhanced” reliability – at a time when real wage growth has stagnated and many consumers can ill-afford any additional increases in household energy costs.

Thank you for taking the time to consider NARUC’s concerns and we look forward to continuing a dialog on the various issues impacting energy transportation reliability.

Sincerely,

Greg White
Executive Director
NARUC

FRANK PALLONE, JR., NEW JERSEY
CHAIRMAN

CATHY McMORRIS RODGERS, WASHINGTON
RANKING MEMBER

ONE HUNDRED SEVENTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6115

Majority (202) 225-2927

Minority (202) 225-3641

January 19, 2022

The Honorable Jennifer M. Granholm
Secretary
U.S. Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

Dear Secretary Granholm:

I write with serious concerns about America's reliance on China for necessary materials, especially critical minerals, for the production, supply, and delivery of energy. I am also deeply concerned that the Department of Energy (DOE) is not fulfilling its statutory obligations to formulate a coordinated national energy policy that reduces American's dependence on foreign minerals and strengthens our domestic supply chains.

Under the prior administration, the U.S. became a net energy exporter for the first time since 1952. Since President Biden took office, however, the prices of crude oil and many energy commodities have risen to seven-year highs as America's reliance on foreign oil has grown. At the same time, the Biden administration appears to be doubling down on an anti-American energy production agenda that punishes U.S. fossil fuels and mining jobs, to the benefit of Chinese-controlled minerals and materials imported for electric vehicles, batteries, solar panels, and wind turbines.

Sadly, this administration's record is clear. On his first day in office, President Biden revoked the permit for the Keystone XL pipeline and issued a moratorium on energy development on Federal lands and waters. Soon after, the administration withdrew approval for a proposed copper mine in Arizona, which would have been one of the most valuable mining projects in the country. These actions have had a chilling effect on U.S. infrastructure projects and new investment decisions.

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Rather than support American workers and help to reduce energy bills for consumers, the Biden administration appears intent on making the United States subservient to foreign countries for the critical minerals needed to build electric vehicles and batteries. The administration's actions and statements, combined with its stated goals to impose even more Federal regulations and mandate economy-wide net zero greenhouse gas emissions, are directly contributing to surging energy prices and America's growing dependence on unpredictable Chinese supply chains.

As you know, the U.S. is a net importer of more than 30 critical mineral commodities and 100 percent import dependent for more than a dozen commodities, including rare earth minerals.¹ China overwhelmingly dominates the global critical minerals supply chain, including 90 percent of silicon wafers used in solar panels and 80 percent of the rare earth minerals that go into wind turbines and electric vehicle motors.²

China is now reportedly planning to consolidate all rare earth miners and processors in the country to further strengthen its dominance of global critical mineral supply chains.³ According to the *Wall Street Journal*, the China Rare Earth Group will be "created by merging rare-earth assets from some state firms" and will be based in the Jiangxi province in southern China.

The Biden administration's embrace of Chinese minerals and Chinese-controlled supply chains is a direct threat to America's energy, economic, and national security. As demonstrated throughout the COVID-19 pandemic, China is not a trusted trading partner or ally. China's supply chains are not transparent, and goods and materials produced in China are manufactured with insufficient environmental and labor protections. Additionally, a significant amount of China's solar and battery manufacturing occurs in Xinjiang, a region where the People's Republic of China (PRC) has carried out mass detentions and forced labor of Uyghurs and other ethnic and religious minority groups.

In December, Congress enacted into law the Uyghur Forced Labor Prevention Act to combat forced labor and genocide carried out in China.⁴ This new law gives the U.S. government tools to prevent goods and materials made with forced labor from entering U.S. supply chains. Under the law, DOE must participate in a whole of government effort to examine U.S. supply chains and strengthen the prohibition against the importation of critical minerals and manufactured products such as solar panels and batteries made with forced labor.

As Secretary of Energy, you are responsible to ensure DOE is performing its statutory responsibilities to secure reliable and affordable energy for American consumers. Foremost, DOE must lead a coordinated effort to strengthen America's critical mineral supply chains and reduce our reliance on Chinese minerals to restore our energy independence. The prior administration's efforts to address supply chain challenges, such as the establishment of the

¹ U.S. Department of Energy. (October 2021). [Multi-Year Program Plan for Division of Minerals and Sustainability](#).

² Center for Strategic and International Studies. (February 2021). [Industrial Policy, Trade, and Clean Energy Supply Chains](#).

³ The Wall Street Journal. (December 3, 2021). [China Set to Create New State-Owned Rare-Earths Giant](#).

⁴ [P.L. 117-78](#)

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Page 3

Office of Fossil Energy Minerals Sustainability Division, should continue without political interference.

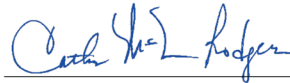
Given the growing importance of critical minerals to America's energy and national security, DOE is failing to provide adequate information to the public regarding the price, supply, and availability of critical mineral commodities. It is also unclear whether DOE is furnishing necessary, objective information or analysis to other Federal agencies, including political appointees within the Biden administration, on the risks of America's growing dependence on Chinese minerals.

The disconnected policy choices make it appear that the Biden administration's climate goals were developed without any analysis or consultation with DOE. As part of re-entering the Paris Agreement, President Biden announced a sweeping, whole-of-government process to establish a new 2030 greenhouse gas emissions target and a goal for the U.S. to produce net-zero greenhouse gas emissions economy wide by 2050. Ironically, the Biden administration's climate goals could drive a net-increase in global emissions and worse environmental outcomes in the way it stimulates demand for Chinese minerals. Even more troubling, the Biden administration's moral argument for American sacrifices to address climate are undercut by relying on China to continue polluting and using forced labor to manufacture solar panels, batteries, and other so-called clean energy technologies to supply the U.S. market.

I urge you to be honest and transparent regarding the administration's policies, especially the energy security risks of American's dependence on Chinese minerals. To that end, I request that you provide me by January 31, 2022, with DOE's plan to reduce America's dependence upon Chinese minerals and develop a domestic supply chain for those minerals.

As a Member of the Energy and Commerce Committee, I look forward to working with you to strengthen America's energy supply chain.

Sincerely,

A handwritten signature in blue ink, reading "Cathy McMorris Rodgers". The signature is fluid and cursive, with the first name "Cathy" being the most prominent.

Cathy McMorris Rodgers
Republican Leader
House Energy and Commerce Committee

JOE MANCHIN III, West Virginia, *Chairman*
 RON WYDEN, Oregon
 MARIA CANTWELL, Washington
 BERNARD SANDERS, Vermont
 MARTIN HEINRICH, New Mexico
 MAZIE HIRONO, Hawaii
 ANGUS S. KING, Jr., Maine
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 JOHN BARRASSO, Wyoming
 JAMES E. RISCH, Idaho
 MIKE LEE, Utah
 STEVE DAINES, Montana
 LISA MURKOWSKI, Alaska
 JOHN HUIEVEN, North Dakota
 JAMES LANKFORD, Oklahoma
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 RENAE BLACK, STAFF DIRECTOR
 SAM E. FOWLER, CHIEF COUNSEL
 RICHARD M. RUSSELL, REPUBLICAN STAFF DIRECTOR
 MATTHEW H. LEGGETT, REPUBLICAN CHIEF COUNSEL

United States Senate
 COMMITTEE ON
 ENERGY AND NATURAL RESOURCES
 WASHINGTON, DC 20510-6150
 WWW.ENERGY.SENATE.GOV

December 15, 2021

The Honorable Richard Glick
 Chairman

The Honorable James Danly
 Commissioner

The Honorable Allison Clements
 Commissioner

The Honorable Mark C. Christie
 Commissioner

The Honorable Willie L. Phillips
 Commissioner

Federal Energy Regulatory Commission
 888 First Street NE
 Washington, DC 20426

Dear Chairman Glick and Commissioners:

Thank you for your responses to my September 15 letter. Thank you also for your responses to the questions for the record to the Energy and Natural Resources Committee's September 28 oversight hearing on the Federal Energy Regulatory Commission ("Commission" or "FERC").

Because the private sector produces and delivers most of the nation's energy, the Commission's exercise of its regulatory authorities is central to whether American families will have access to an abundant, affordable, reliable and resilient supply of energy. The Committee's oversight obligation with respect to FERC is as significant as its obligation to conduct oversight of the Department of Energy and the Department of the Interior. The Committee must do its part to ensure that the Commission is faithfully executing the laws that Congress has enacted.

Based upon the information that you have supplied in 2021, it is increasingly clear that the Commission's current posture toward its natural gas docket may jeopardize, rather than enhance, America's energy security. Without a course correction, delays in the Commission's processing of applications by natural gas pipelines, potentially shifting standards to be applied to such applications, and the impression – if not the reality – that the Commission is sympathetic to efforts to "keep natural gas in the ground" will inflict more harm on the nation than has occurred

this year. I have drawn the following conclusions that I ask you to confirm or rebut. (Because Commissioner Phillips has recently taken his seat, he is welcome to decline to respond.)

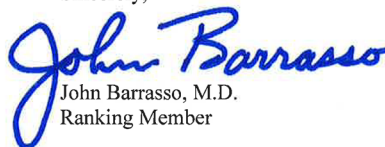
1. Despite assurances to the contrary, as a practical matter, the Commission staff has applied a *de facto* standard for how it will consider downstream greenhouse gas emissions from natural gas pipelines. Specifically, it has required an Environmental Impact Statement for applications for which it previously would have required an Environmental Assessment.
2. To varying degrees, each of you has indicated that FERC should conduct an analysis of the impact of its new *de facto* standard for compliance with the National Environmental Policy Act on the affordability or reliability of natural gas or electric service. Yet, to date, the Commission has not conducted such an analysis or made public plans to conduct one.
3. Putting aside particular calculations, the time FERC has taken to consider certificate applications to construct new and upgrade existing interstate natural gas pipelines has been greater since January 21, 2021 than the time FERC took to consider such applications prior to January 21, 2021.
4. The Chairman has stated that “the Commission has the authority to deny a pipeline certificate on the ground that the project would be too harmful for the environment.”¹ At best, this assertion is not settled law. At worst, if acted upon, it would violate the Natural Gas Act. If this view prevails, it will fundamentally change the role of the Commission.
5. Delays and uncertainty associated with FERC’s consideration of certificate applications to construct new and upgrade existing interstate natural gas pipelines have contributed to the cancellation of these projects. These delays and uncertainty have shaken customers’ and investors’ confidence which is necessary for the development of natural gas projects.

Until the Commission shows the foregoing conclusions to be inaccurate or outdated, FERC will almost certainly have a negative impact on the American people, our national security, and the economy of the United States. The increasing interdependence of America’s natural gas and electric systems only heightens this risk. For these reasons, I ask each of you, individually, as well as the Commission staff, to recommit to fulfill FERC’s duty to “encourage the orderly development of plentiful supplies of electricity and natural gas at reasonable prices.”²

As you have previously done in our prior correspondence, please address this letter in the most expeditious and appropriate manner that you determine the Commission’s rules will permit. As always, it is my intention to respect the Commission’s rule governing *ex parte* communications.

Thank you for your consideration, and I look forward to your prompt response.

Sincerely,


John Barrasso, M.D.
Ranking Member

¹Full Committee Hearing To Review Administration Of Laws Within FERC’s Jurisdiction Before S. Comm. on Energy and Natural Resources, 117th Cong. (September 28, 2021) (Answers to Questions for the Record Submitted by Senator Mike Lee to the Honorable Richard Glick).
²NAACP v. FPC, 425 U.S. 662, 671 (1976).

Attachment—Additional Questions for the Record

Subcommittee on Energy
Hearing on
“Securing our Energy Infrastructure: Legislation to Enhance Pipeline Reliability”
Wednesday, January 19, 2022

The Honorable Richard Glick, Chairman, Federal Energy Regulatory Commission

The Honorable Frank Pallone, Jr. (D-NJ)

1. In September 2020, the Government Accountability Office issued a report, *Gas Transmission Pipelines: Interstate Transportation of Natural Gas Is Generally Reliable, But FERC Should Better Identify and Assess Emerging Risks* (GAO-20-658), that warned of increased service interruptions on interstate transmission pipelines. As part of that report, GAO recommended that the Federal Energy Regulatory Commission (FERC) “develop and document an approach to respond, as appropriate, to risks it identifies to the reliability of natural gas transmission service.”
 - a. Does FERC have the statutory authority to respond to natural gas transmission reliability risks and to issue standards addressing those risks?

RESPONSE: Unlike the bulk power system, the Commission has no authority to require interstate natural gas pipelines to operate reliably. I believe Congress should consider legislation to establish a regime for interstate natural gas pipeline reliability, similar to the regime in place for bulk electric system reliability.

2. In 2021, the National Academy of Sciences, Engineering, and Medicine (National Academy) issued a report commissioned by Congress, titled *The Future of Electric Power in the United States*, which recommended that “Congress should build on the example it set in the electric power system when it established in the Energy Policy Act of 2005, an Electric Reliability Organization with responsibility to set and enforce reliability standards for the electric industry, and authorize the Federal Energy Regulatory Commission (FERC) to designate a central entity to establish standards for and otherwise oversee the reliability of the nation’s natural gas delivery system.”
 - a. Do you agree with the National Academy’s recommendation?

RESPONSE: While I am not familiar with the details of the report, I agree with the conclusion that Congress should consider legislation to establish a regime for pipeline reliability, similar to the regime in place for bulk electric system reliability. I believe that the North American Electric Reliability Corporation’s (NERC) Electric Reliability Organization (ERO) model offers an effective model that could be the basis for any future pipeline reliability entity.

The Honorable Richard Glick

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- b. In your opinion, would the Energy Product Reliability Act (H.R. 6084) fulfill the National Academy's recommendation?

RESPONSE: As I noted in my testimony, I believe that several features of the proposed legislation would address concerns that arise due to the lack of pipeline reliability entity and pipeline reliability standards. Those features include the provisions that call for the creation and certification of an Energy Product Reliability Organization similar to the process that led to the designation of NERC as the ERO and the development and enforcement of mandatory standards to ensure the reliable delivery of energy products.

- c. Since FERC held its April 29, 2021, technical conference on Electrification and the Grid of the Future, what has the Commission done to address wholesale electricity market obstacles to electric vehicle deployment? Specifically, how are you addressing the volatile capacity charges which depress electric vehicle deployment by rendering public electric vehicle charging businesses uneconomic, as raised by commenters in the proceeding?

RESPONSE: Over the last several years, the Commission has taken significant steps to ensure that wholesale electric market rules that were designed for traditional resources are amended to remove barriers to entry for emerging technologies, which has included electric vehicles.

Specifically, the Commission issued Order No. 2222 to remove barriers to the participation of distributed energy resource aggregations in the capacity, energy, and ancillary service markets operated by regional transmission organizations and independent system operators (RTO/ISO). This rule, which is currently being implemented, allows the participation of distributed energy resources, including electric vehicles and their charging infrastructure in these markets through an aggregator if they are technically capable of meeting the requirements for grid services.

With respect to the specific concern you raise, the Commission is aware that changes in the resource mix and customer load profiles (e.g., due to electrification) are likely to change RTO/ISO system needs, and we will continue to evaluate whether any additional changes to wholesale electric market rules are needed as further electrification occurs. I appreciate that the opportunity for market participation, as well as market certainty, is valuable across all market resources, including emerging resources. A top priority of mine since joining the Commission is addressing barriers to emerging technologies, and I encourage continued engagement to help identify any ongoing barriers.

3. The National Academy's report also recommends that Congress "authorize FERC to require greater transparency and reporting of conditions occurring on the natural gas delivery system to allow for better situational awareness as to the operational circumstances needed to help support electric system reliability."
- a. What tools does FERC possess that allow it to monitor the operation of the natural gas delivery system?

The Honorable Richard Glick

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RESPONSE: The Commission has a number of available tools to monitor the operation of the *interstate* natural gas pipeline system, including Electronic Bulletin Board (EBB) postings, service outage reports, industry press, and third-party data.

Regarding EBBs, Commission regulations require that interstate natural gas pipelines post information on their internet website EBBs related to each firm and interruptible service contract, including transactions related to capacity release. Interstate natural gas pipelines are also required to post capacity and flow information on their websites, including capacity availability, the total design capacity of each segment, the amount of gas scheduled at each point or segment, and all planned or actual service outages or reductions in service capacity. Finally, each interstate natural gas pipeline is required to post Critical and Non-Critical notices that can provide insight into operational conditions occurring on the pipeline.

The Commission receives service interruption reports from interstate natural gas pipeline companies at the “earliest feasible time” after an outage has occurred.

In addition, Commission staff monitor press reports for news of major interstate gas pipeline outages, as major outages are often reported before pipelines are required to submit an outage report to the Commission. Once identified, staff use capacity and flow data from pipelines’ EBBs, as well as third-party data, market models, and price indices, to examine the current and potential market impacts of the outage.

- b. What additional authorities does FERC need to require greater transparency and reporting of conditions occurring on the natural gas delivery system?

RESPONSE: Currently, the Commission has limited ability to identify and assess risks to the reliability of natural gas transmission service in real time. Were Congress to seek to place comprehensive authority over pipeline reliability at a single agency, requiring transparency and reporting of conditions by interstate natural gas pipeline owners and operators would be essential.

- 4. Many utilities, electric cooperatives, and municipal utilities suffered significant financial losses as a result of Storm Uri. In many instances, those costs will be passed along to ratepayers. Natural gas suppliers, on the other hand, reaped outsized profits from high natural gas spot prices during Storm Uri.
 - a. Did the lack of reliability standards for the natural gas delivery system contribute to the significant financial losses suffered by utilities, electric co-ops, and municipal utilities during Storm Uri?

RESPONSE: Winter Storm Uri did not test the capacity of the natural gas delivery system because both natural gas supply and demand experienced massive losses during the event. The financial losses were primarily the result of two factors. First, in the wake of massive natural gas production declines and, to a lesser extent, declines in natural gas processing, the supply of natural gas struggled to meet demand. Second, generating units unprepared for cold weather failed in large numbers. Unplanned outages of natural gas wellheads due to freeze-related issues,

The Honorable Richard Glick

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loss of power and facility shut-ins, as well as unplanned outages of natural gas gathering and processing facilities, resulted in a decline of natural gas supply availability to many natural gas-fired generating units. However, Winter Storm Uri demonstrated that the U.S. heavily relies on natural gas for electric generation and ensuring the reliability of the natural gas delivery system is critical to the reliability of our bulk electric system. Given the important role of natural gas, I believe there should be mandatory reliability standards to ensure the reliable operation of our natural gas delivery system which could address issues of winterization as well as cybersecurity.

- b. In your opinion, will ratepayers continue to bear the costs associated with extreme weather in the absence of natural gas reliability standards?

RESPONSE: Recovery of many of the costs incurred to address extreme weather events are subject to state jurisdiction. Historically, at the federal level, ratepayers often bear the costs associated with extreme weather events that are subject to the Commission's jurisdiction, to the extent the Commission finds those costs to be just and reasonable. Therefore, legislative and regulatory efforts to further secure the reliability of the nation's interstate natural gas pipelines will serve to protect consumers against the costs incurred to address extreme weather events.

- c. Should FERC have the authority to impose price limits on natural gas spot prices under emergency conditions?

RESPONSE: The Commission has the regulatory authority to consider proposals that address prices in Commission-jurisdictional electric markets and continues to evaluate these issues. We do not, however, have that authority in natural gas markets. To the extent prices are influenced by possible market manipulation either in electric or gas markets, the Commission may investigate and address anticompetitive conduct. Should Congress consider whether to give the Commission authority to address natural gas prices, such as through a "circuit breaker" that would prevent gas trading above certain price thresholds under defined circumstances, I would be happy to work with you on such a measure.

- 5. The Energy Product Reliability Act proposed by Chairman Rush would permit FERC to issue emergency reliability standards in the event of foreseeable or continuing emergency conditions. You endorsed this concept in your written testimony.

- a. Why should FERC have the authority to issue emergency reliability standards to ensure the reliable delivery of natural gas?

RESPONSE: Some threats to the reliability of the pipeline system may arise quickly and warrant a swift response. It would be important for an agency with authority over pipeline reliability to be able to issue emergency standards to best address those threats. I leave to Congress whether the Commission or another agency should have that authority. I note that the Secretary of Energy has authority under section 215A of the Federal Power Act to order the electric industry to take emergency measures, and that authority may allow for utilities to respond more quickly to threats to the bulk power system than under the traditional standards drafting process that the Commission oversees. Giving the entity that oversees the reliability of the gas pipeline grid similar authority will likely allow for the gas industry to respond more

The Honorable Richard Glick

Page 5

quickly to threats. Moreover, these emergency orders issued by the Secretary have a duration of 15 days, and then would require renewal if an emergency remains. The authority for the entity that would be overseeing the reliability of the gas pipeline grid to issue emergency reliability standards could be designed to require the relevant entities in the pipeline industry to comply with security requirements immediately and on an ongoing basis, with the opportunity to refine the emergency reliability standards going forward.

I also note that the Transportation Security Administration currently has authority to immediately issue (without notice and comment) a regulation or security directive to protect transportation security. *See* 49 U.S.C. § 114(I)(2). During 2021, the Transportation Security Administration used this authority to issue security directives pertaining to natural gas pipeline security. Any entity to whom Congress may give authority over the reliability over the pipeline grid should include that authority.

- b. Does FERC have the authority to issue emergency reliability standards under Section 215 of the Federal Power Act and if not, should it have that authority?

RESPONSE: No, the Commission does not have authority to issue emergency reliability standards under section 215 of the Federal Power Act. If the President declares a grid security emergency, the Secretary of Energy has authority under section 215A of the Federal Power Act to order industry to take emergency measures. However, similar to my response to the prior question, threats to the reliability and security of the grid may arise quickly, and it is important for an agency to have authority to issue emergency reliability and security standards prior to a threat manifesting itself as an emergency. I leave to Congress whether the Commission or another agency should have that authority. Moreover, as mentioned in my response to the previous question, emergency orders issued by the Secretary pursuant to section 215A of the Federal Power Act have a duration of 15 days, and then would require renewal if an emergency remains. The ability for the Commission to issue emergency reliability standards could be designed to require the electric industry to comply with security requirements immediately and on an ongoing basis, with the opportunity to refine the emergency reliability standards based on experience with the mandatory provisions.

- 6. FERC requires interstate pipelines to post certain market and operational information on their electronic bulletin boards.
 - a. Do you think intrastate pipelines that service interstate pipelines should also maintain electronic bulletin boards with critical operational and market information, and if so, does FERC need additional statutory authority to impose such a requirement?

RESPONSE: Yes, there is a need for enhanced transparency with respect to intrastate pipelines. U.S. interstate and intrastate pipeline infrastructure are highly and increasingly interconnected. However, market participants often do not have the same operational and market information regarding intrastate pipelines as compared to interstate pipelines. These gaps in information are significant because major gas flows occur on intrastate pipelines and are largely invisible to the market.

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Further, natural gas generation is the largest share of the electric generation mix, which has resulted in an increasing interdependency between interstate and intrastate natural gas pipelines and electricity generation. As a result, enhanced transparency would help ensure reliability for both natural gas and electric systems.

The Commission would benefit from additional statutory authority to impose such a requirement. In October 2011, the U.S. Court of Appeals for the Fifth Circuit (Fifth Circuit) in *TPA v. FERC* held that the Commission exceeded its statutory authority by requiring large, non-jurisdictional intrastate natural gas pipelines to post information on scheduled flow and design capacity. The Fifth Circuit held that the Commission did not have the authority to issue Order Nos. 720 and 720-A to require wholly intrastate pipelines to disclose and disseminate capacity and scheduling information.

7. Analyses conducted in the aftermath of Storm Uri indicated that transmission constraints into the Electric Reliability Council of Texas (ERCOT) may have exacerbated price spikes and power outages.
 - a. Do you agree that more transmission lines between ERCOT and the Western and Eastern Interconnections could increase reliability and ultimately lower costs for ratepayers?

RESPONSE: Yes, although additional steps might also be necessary. This is because the regional power grid is not designed to supply significant power to the ERCOT region during crucial times of need. To reliably transfer the power, power grid reinforcements and additional generation resources would likely be needed in regions of the Eastern and Western Interconnections that surround ERCOT. The FERC/NERC report on Winter Storm Uri recommended that a study be conducted by ERCOT to evaluate the benefits of additional links between the ERCOT Interconnection and other interconnections (recommendation 25).

The Honorable Lisa Blunt Rochester (D-DE)

1. I was pleased to hear that Montana Cole would be serving as Senior Counsel for Environmental Justice and Equity to better ensure that issues of equity are incorporated into the Commission's decision-making.
 - a. How might FERC and an organization such as the Energy Product Reliability Organization consider the disproportionate burdens often suffered by environmental justice communities as they develop reliability standards to ensure the deliverability of energy products?

RESPONSE: Environmental justice communities often suffer disproportionately when energy system reliability is compromised during extreme weather events and other circumstances causing power outages and price spikes. Recognizing those impacts, I believe that if Congress authorizes the establishment of an Energy Product Reliability Organization (EPRO), then the reliability standards developed by that organization subject to the Commission's oversight could

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and should be informed by the views of environmental justice communities. Robust outreach and engagement with underserved communities could help ensure their meaningful participation in the EPRO process for developing reliability standards. The Commission's Office of Public Participation also would be instrumental in furthering the meaningful participation of underserved communities in Commission processes regarding proposed EPRO reliability standards.

- b. As a follow-up, how has FERC incorporated the new Office of Public Participation into its other program offices, and how might the public participation office work with an entity such as the Energy Product Reliability Organization?

RESPONSE: The Office of Public Participation (OPP) is up and running and fulfilling its mission, with a small but growing team. As of this writing, OPP consists of six team members with the goal of reaching upwards of 20 by the end of FY2022. These additional personnel will support OPP's statutory responsibilities and promote greater public participation in Commission proceedings.

OPP's focus on environmental justice communities, landowners, Tribal citizens, consumers, and other members of the public reflects feedback the Commission received during the listening sessions that led to the shaping of OPP. These listening sessions demonstrated a clearer picture of the stakeholders most in need of outreach, engagement, and education on Commission processes and proceedings.

To that end, OPP is engaging with other Commission offices to identify how it can best support those constituencies in the context of energy and infrastructure projects, energy markets, energy policy development, and other Commission proceedings and responsibilities. OPP is also engaged in a listening tour of its own to hear directly from both constituents and energy industry representatives on the challenges and opportunities around improved public participation at the Commission. OPP has been welcomed by Commission staff and is working to ensure collaboration and communication across all program offices to ensure timely and meaningful support for members of the public.

OPP's current activities are focused on numerous activities, including but not limited to responding to public inquiries; meeting with key constituent groups, Tribal citizens, environmental justice communities and consumer activities; conducting outreach at events and conferences across the country on the role of OPP; building internal relationships and visibility within the Commission; developing a social media profile; and preparing educational materials on issues key to the Commission's authority.

OPP is also focused on deepening its reach and impact in the next year through continued development of outreach plans and technical assistance resources. OPP will work with other Commission offices to analyze and advise on potential changes in informal policies, regulations, or laws with the goal of promoting public participation in Commission proceedings.

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With regard to the Energy Product Reliability Organization, OPP would welcome the opportunity to assist with public participation in Commission activities related to an Energy Product Reliability Organization and the execution of its responsibilities.

The Honorable Paul Tonko (D-NY)

1. Chairman Glick, H.R. 6084 would establish a new entity to develop and enforce energy product reliability standards. What existing authority does FERC have under the Natural Gas Act over interstate pipeline operations to ensure reliable delivery of natural gas?

RESPONSE: Unlike the bulk power system, the Commission has no authority to require interstate natural gas pipelines to operate reliably. I believe Congress should consider legislation to establish a regime for interstate natural gas pipeline reliability, similar to the regime in place for bulk electric system reliability.

The Honorable Fred Upton (R-MI)

1. Do you agree that the Nord Stream 2 pipeline strengthens Russia and decreases Europe's overall energy security?

RESPONSE: This matter lies outside of the Commission's natural gas pipeline jurisdiction. But, as I understand the situation, Germany halted the certification of the Nord Stream 2 pipeline.

- a. Do you agree with the 2019 NETL Report that showed U.S. LNG exports are 41% cleaner than Russian natural gas delivered to Europe?

RESPONSE: Under the Natural Gas Act, the Department of Energy has sole authority to license and consider the environmental impacts of the export of any natural gas going through LNG facilities. It is my understanding that the Department of Energy relies on the report "Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update" to inform its LNG export decisions. As I understand it, that report quantifies 20-year lifecycle emissions for U.S. LNG exports and Russia delivered natural gas to be 719 kg CO₂e/MWh and 1,016 kg CO₂e/MWh, respectively, implying that U.S. LNG exports are 41% cleaner than Russian natural gas delivered to Europe. The Commission has not performed independent analyses comparing lifecycle GHG emissions in Europe for U.S. LNG exports and Russian delivered natural gas and therefore I cannot confirm the findings of the NETL report.

- b. Do you agree that U.S. LNG exports contribute to global lifecycle GHG emissions reductions by replacing more carbon intensive sources of fuel?

RESPONSE: As noted, the Commission has not performed independent analyses with regard to U.S. LNG exports and lifecycle GHG emissions in importing countries. However, I agree that LNG exports may, in some instances, help to reduce GHG emissions by reducing reliance on more carbon intensive sources of fuel.

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- c. Will you commit to incorporating the *benefits* of natural gas and U.S. LNG exports to global GHG emissions reductions when permitting pipelines and LNG export facilities?

RESPONSE: I carefully consider all relevant factors weighing on the public interest with respect to decisions to be made by the Commission. I note, however, that the Department of Energy has exclusive authority to license the import and export of natural gas and thus the benefits of those exports and imports are for the Department of Energy analyze and weigh in its export authorizations.

2. FERC has the delegated responsibility to issue Presidential Permits for cross-border gas pipelines. Has FERC modified, or does it have plans to modify, its procedures for conducting cross-border permit reviews under your Chairmanship?

RESPONSE: The Commission has not modified its procedures for conducting reviews of applications for Presidential Permits for cross-border natural gas pipelines under section 3 of the Natural Gas Act, and I have no plans to do so. There are currently no pending applications for Presidential Permits for natural gas applications. Nor were any received in 2021 or 2020.

3. Have you consulted with DOE to harmonize FERC and DOE procedures for evaluating cross-border projects, including pipelines and electric transmission facilities?

RESPONSE: The Department of Energy's role involves the review of cross-border movement of the commodity of natural gas and, from my understanding, that review is independent of the location of the crossing. The Commission's role in the review of applications for cross border projects for natural gas pipelines is solely to review the specific facilities used in the border crossing and to issue the Presidential Permit for those facilities at that location.

The Commission does not have a role in reviewing cross-border projects for electric transmission facilities. Therefore, I am not aware of any issues between the two programs that would require consultation with the Department of Energy on specific procedures.

4. I understand there is a growing number of routine applications before FERC that are being delayed because you are conducting an internal policy review on natural gas.
 - a. Have you instructed Commission staff to delay proceedings or postpone actions while you conduct the policy review?

RESPONSE: No.

- b. Please provide a list of all natural gas pipeline applications that have been pending before the Commission for more than 6 months.

RESPONSE:

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Docket	Company	Description of Project	Application Filed
CP16-455-000	Rio Bravo Pipeline Company, LLC	Pending due to remand from the U.S. Court of Appeals for the D.C. Circuit. Authorized on 1/22/2019. Construction of 139 miles of pipeline designed to transport up to 4.5 Bcf/d to the proposed Rio Grande LNG terminal.	5/5/2016
CP17-40-006	Spire STL Pipeline LLC	Pending due to remand from the U.S. Court of Appeals for the District of Columbia Circuit. Authorized on 8/3/2018 and entered service on 11/14/2019. Construction of 59 miles of pipeline designed to provide up to 400 MMcf/d of firm transportation service to the St. Louis, MO area.	6/22/2021
CP19-473-000	Equitrans, LP	16.7 miles pipeline to deliver up to 140 MMcf/d of natural gas to a new power plant in WV. Pending until Rover Pipeline, LLC files the associated pipeline interconnection application.	5/31/2019
CP20-481-000	Rio Bravo Pipeline Company, LLC	Amendment to reduce the number of compressor stations, eliminate some metering facilities, change the maximum allowable pressure, and increase the diameter of a pipeline.	6/16/2020
CP20-27-000	North Baja Pipeline, LLC	New 31,900 HP compression to provide 495 MMcf/d to the U.S./Mexico border.	12/16/2019
CP19-502-000 CP19-502-001	Commonwealth LNG LLC	3-mile pipeline supplying 1.44 Bcf/d to the proposed Commonwealth LNG terminal.	7/8/2021 (amended application)
CP21-29-000	Gas Transmission Northwest, LLC	New 1,586 HP compressor station to eliminate pressure constraints on system.	1/13/2021
CP20-484-000 CP20-485-000	ANR Pipeline Company Great Lakes Gas Transmission, LP	15,900 HP compressor station to add 165 MMcf/d of incremental mainline capacity on ANR's Southeast Mainline 501 and 501 Loop pipelines.	6/22/2020
CP21-57-000	Mountain Valley Pipeline, LLC	Amendment to modify the project to cross certain wetlands and waterbodies by trenchless methods.	2/19/2021
CP21-6-000	Spire Storage West, LLC	Increase compression by 20,600 HP, storage field deliverability by 450 MMcf/d, and total capacity by 16 Bcf.	10/9/2020
CP20-493-000	Tennessee Gas Pipeline Company	31,607 HP of new compression at existing compressor stations and 19,000 HP new compressor station to deliver up to 115 MMBtu/day to Consolidated Edison.	6/30/2020
CP21-474-000	Rover Pipeline LLC	Construction a new delivery point that would deliver 108 MMcf/d.	7/20/2021
CP21-492-000	Rover Pipeline LLC	New receipt point and a new delivery point.	9/9/2021

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CP21-1-000 CP21-458-000	Golden Pass Pipeline, LLC	Amendments to pipeline facilities authorized in December 2016 and not yet built. Includes relocating and adding 10,033 HP of compression to a compression station, establishing a new interconnection, and other modifications.	6/11/2021
CP21-78-000	ANR Pipeline Company	Modifications to seven existing meter stations to provide an additional 51 MMcf/d.	3/12/2021
CP21-94-000	Transcontinental Gas Pipe Line Company, LLC	36.1 miles of pipeline and 82,789 HP of additional compression to provide 829 MMcf/d to multiple delivery points.	3/26/2021
CP21-463-000	Texas Eastern Transmission, LP	Abandoning 18,800 HP of compression and replacing it with 19,352 HP of compression to meet current air emissions requirements.	6/17/2021
CP21-44-000	LA Storage, LLC	25.5 Bcf of storage capacity in four salt dome storage caverns, a 21,400 HP compressor station, and 16 miles of pipeline.	1/29/2021
CP21-113-000	Alliance Pipeline	2.85 miles of pipeline to supply 210 MMcf/d to a planned power plant.	4/1/2021
CP21-197-000	Kern River Gas Transmission	35.8 miles of pipeline to provide up to 140 MMcf/d to a power plant.	4/23/2021
CP21-467-000	Texas Gas Transmission, LLC	24-miles of pipeline and a 4,863 HP compressor provide up to 220 MMcf/d to a proposed electric generation facility.	6/25/2021
CP21-498-000	Columbia Gas Transmission, LLC	13,500 HP of compression to increase mainline capacity by 35 MMcf/d.	9/21/2021

- c. Given that the natural gas policy statement has been under review for more than four years, will you commit to a timeline for finalizing the policy statement to provide consumers with affordable and reliable energy supplies?

RESPONSE: During our February meeting, the Commission issued an Updated Pipeline Certificate Policy Statement and Interim GHG Emissions Policy Statement. After receiving feedback seeking additional clarification, I worked with my colleagues to ensure opportunity for additional public comment. Therefore, at the Commission's March 24, 2022 open meeting, we designated the policy statements originally issued in February as draft policy statements. We also noted that we will not apply these policy statements to any pending applications or applications filed before we issue final guidance in these dockets. Accordingly, we intend to apply any final policy statements on these issues on a prospective basis. The Commission has requested public comment on the draft policy statements and will conduct a thorough review of those comments. The comment deadline is April 25, 2022. Reply comments are due on May 25, 2022. I assure you that I am committed to working with my colleagues to expeditiously review and finalize these policy statements.

5. I am concerned that your decision to postpone action on pending natural gas permits may have the unintended effect of increasing emissions and jeopardizing public

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safety. I am also concerned the delays and uncertainty caused by FERC are contributing to higher energy prices and less reliability.

- a. Is it true that applications to conduct routine and beneficial equipment upgrades, such as electrifying a compressor station, have been pending before FERC for more than 6 months?

RESPONSE: To the extent an environmental review may be required under our statutory and regulatory responsibilities for the type of equipment upgrade applications referenced in the question, Commission staff conducts these reviews as expeditiously as feasible. While the extent of any required environmental review will vary in each proceeding based on a number of factors, the time needed to conduct and complete such review may result in an application to be pending for longer than the six-month period selected by the question. I have not postponed action on pending natural gas permits. I have and continue to put natural gas projects pending before the Commission for a vote when those orders are ready.

- i. Are you, or your staff, aware of any instances where FERC delays have resulted in an operator withdrawing a permit application for a project that would reduce emissions or provide safety upgrades?

RESPONSE: Yes, I am aware of projects such as Adelphia Gateway, LLC's Marcus Hook Electric Compression Project (Docket CP21-14) and Eastern Gas Transmission's Mid-Atlantic Cooler Project (Docket CP21-97) where the project sponsors withdrew their applications citing the duration of the Commission's review process.

- ii. Are you, or your staff, aware of any instances where FERC delays have resulted in an operator canceling a pipeline project that would lower the price of natural gas for consumers, or improve the reliability of the pipeline system?

RESPONSE: I am not aware of any specific instances where that was the case. I am aware of instances in which operators have canceled pipeline projects, for example the Atlantic Coast Pipeline, due to legal uncertainty following court decisions that vacated necessary permits or authorizations based on findings that other agencies had failed to follow statutory requirements.

- b. Do you believe FERC has authority to incorporate the "social cost" of carbon and methane into permitting decisions, including for natural gas and electricity?

RESPONSE: Under the Natural Gas Act, the Commission has permitting authority for certain natural gas infrastructure. Under our statutory responsibilities, the Commission must consider and document how its authorization of infrastructure projects would affect GHG emissions for cases where those emissions are a foreseeable effect.

The Social Cost of GHG is one tool that can be informative for providing context regarding those potential impacts.

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Under the Federal Power Act, the Commission is not involved in siting electric generation, and has limited backstop authority for siting electric transmission infrastructure.

- i. Do you believe there is a social cost to renewables?

RESPONSE: The Commission does not site or permit renewable energy resources such as wind and solar and has not examined whether these resources have a social cost.

- c. What is FERC doing to prohibit the use of renewable energy components with a nexus to the U.S. bulk power system that were imported from China and mined, produced, or manufactured by forced labor?

RESPONSE: The Commission approved mandatory NERC reliability standards that require all applicable utilities to develop and implement a plan that includes security controls for supply chain management for industrial control system hardware, software and services associated with bulk electric system operations. However, I should note that the Commission does not have jurisdiction over the vendors of components of renewable energy resources and, therefore, these cyber security NERC reliability standards do not apply to vendors or suppliers of subcomponents, including vendors or suppliers of subcomponents of renewable energy systems.

- d. What is FERC doing to prohibit the use of renewable energy components with a nexus to the U.S. bulk power system that were imported from China and mined, produced, or manufactured in a manner that would violate U.S. environmental laws and regulations?

RESPONSE: As described above, the Commission does not have jurisdiction over the vendors of components of renewable energy resources.

- e. What is FERC doing to prohibit the use of electrical equipment with a nexus to the U.S. bulk power system that has been imported from a supplier that is owned, controlled or influenced by a foreign adversary?

RESPONSE: On September 17, 2020, the Commission initiated a Notice of Inquiry to gather information regarding the potential risks to bulk electric system reliability posed by certain equipment and services (Equipment and Services Produced or Provided by Certain Entities Identified as Risks to National Security, 172 FERC ¶ 61,224 (2020)). Citing a Federal Communications Commission designation of Huawei Technologies Company (Huawei) and ZTE Corporation (ZTE) as “national security threats to the integrity of communications networks and the communication supply chain,” the Commission stated that “[t]hese actions raise concerns over the potential risks to bulk electric system reliability posed by the use of equipment and services provided by Huawei, ZTE, and other entities identified as risks to national security.” The Commission posed several questions for public comment, which we are currently reviewing to determine next steps.

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On February 24, 2022, DOE issued a report, entitled “America’s Strategy to Secure the Supply Chain for a Robust Clean Energy Transition,” in accordance with the schedule in Executive Order 14017. This report “lays out the challenges and opportunities faced by the United States in the energy supply chain as well as the Federal Government plans to address these challenges and opportunities.” (Report at p. iii.) This report, and other initiatives at DOE related to supply chain threats to the energy sector, are expected to help inform the Commission’s determinations regarding the Notice of Inquiry.

- f. If EPA or a state already requires an emissions permit for an upstream source or downstream use of natural gas, why do you believe FERC can also require mitigation in connection with these sources?

RESPONSE: As several court decisions have demonstrated, including the Tennessee Gas pipeline decision before the D.C. Circuit earlier this month, the Commission is required to consider not only the direct effects of our decisions on proposed projects, but also the indirect or reasonably foreseeable effects of our decisions. And in *Sabal Trail*, the court noted that the Commission could impose mitigation based on indirect effects, should it so choose.¹ Nevertheless, as I have said previously, I believe that that the Commission should limit any required mitigation to *direct* emissions, which are those most closely related to the Commission certification decision and do not the type of concerns in your question. That is also consistent with the proposal in the Commission’s now-draft Interim GHG Emissions Policy Statement.

- g. What is your standard for “significance” as in what constitutes a “significant amount of greenhouse gas emissions”? How much GHG emissions will cause you to deny a natural gas pipeline certificate?

RESPONSE: I believe that the Commission should establish a transparent, predictable framework for how it will consider GHG and climate impacts in order to give project developers the certainty they need to build new energy infrastructure. A significance determination is only the first step in the analysis. Even where a project’s reasonably foreseeable GHG emissions and associated climate impacts are significant, that does not prevent the Commission from approving the project. I would note in particular that, when it comes to considering indirect GHG emissions, I believe that such emissions are likely to be reasonably foreseeable only where there is some evidence of their end use, which provides important, confirmatory evidence of the need for and benefits provided by a proposed project. In other words, where we know with sufficient certainty how the gas is intended to be used to support a finding that the resulting emissions are reasonably foreseeable, we will, almost by definition, also have before us considerable evidence regarding the benefits provided by the project, which we will consider at the same time as those emissions.

As to how the Commission makes determinations on significance, I will add that the Commission routinely assesses the significance of environmental impacts on a wide variety of resources (e.g., permafrost, waterbodies, visual resources, forests) without clearly articulated or “objective” thresholds or standards. Multiple courts have also noted that agency review of

¹ *Sierra Club v. FERC*, 867 F.3d 1357, 1374 (D.C. Cir. 2017) (*Sabal Trail*).

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environmental impacts under NEPA are frequently based on qualitative judgment calls and best available information, even if this may require caveating such judgments as appropriate.

6. It appears that an Associate Administrator in EPA's Office of Policy has initiated a pattern of filing comments in the dockets of natural gas pipeline applications that "strongly recommends that the Commission postpone any decision on this proposed action and similar pending applications until the Commission has considered all input received and has finalized its policy updates." EPA also provided additional recommendations, some of which are contrary to the Natural Gas Act.
 - a. Have you or your staff communicated or consulted with EPA on any recent filings in FERC's natural gas dockets? If so, please describe the substance of those communications or consultations.

RESPONSE: Commission staff have communicated with EPA staff in their role as a cooperating agency under NEPA on multiple projects: Commonwealth LNG (Docket CP19-502); Port Arthur Phase II Project (Docket CP20-55); Transco's Regional Energy Access Expansion Project (Docket CP21-94); Three Rivers Interconnection Project (Docket CP21-113); Driftwood Line 200 and 300 (Docket CP21-465); and Texas Gas Transmission's Henderson County Expansion (Docket CP21-467). Such communication is limited to analysis of issues raised in the preparation of an environmental assessment or environmental impact statement, such as affected community demographic information and impacts; hazardous air pollutant impacts; pollutant emissions modeling; and dredging and dredge material disposal.

- i. Do you agree with EPA's recommendation, and do you believe FERC has authority, to postpone a decision on natural gas permits until the policy review is complete?

RESPONSE: I do not agree with EPA's recommendation that the Commission postpone certificate decisions until the Commission has finalized its policy updates. If my colleagues are prepared to act on the merits of an order that is in a procedural posture to be considered, I am committed to putting that order before them, thereby giving applicants and other stakeholders the resolution of the proceeding. With respect to any other recommendations made by EPA in specific dockets, those will be considered in orders that the Commission may issue on those applications, just as they would for any commentor.

- ii. Do you agree with EPA's recommendation, and do you believe FERC has authority, to estimate "damages" from the estimated GHG emissions upstream and downstream of a project by utilizing the Social Cost of GHG estimates?

RESPONSE: Under the law, the Commission must consider and document how its authorization of infrastructure projects under the Natural Gas Act will affect the environment. It has broad discretion in what tools and analysis it uses to carry out those responsibilities. The Social Cost of GHGs is one tool that can be used to assess the cost of GHG emissions, by quantifying, in dollars, estimates of long-term damage possibly resulting from future emissions

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of carbon dioxide, nitrous oxide, and methane. I believe that considering that information is within the Commission's authority and note that those numbers have been included in certain Commission orders.

- iii. Do you agree with EPA's recommendation, and do you believe FERC has authority, to include other actions and projects currently under the Commission's review in a cumulative impact analysis of an individual project?

RESPONSE: I believe agencies may consider cumulative effects in their NEPA analyses. Cumulative effects are the impacts on the environment which result from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency or person undertakes such other actions.

- iv. Do you agree with EPA's recommendation, and do you believe FERC has authority, to incorporate a detailed consideration of carbon lock-in? If so, please describe the legal basis and methodology for estimating carbon lock-in.

RESPONSE: In considering applications under section 3 or section 7 of the Natural Gas Act, the Commission must "evaluate all factors bearing on the public interest." *Atl. Ref. Co. v. Pub. Serv. Comm'n of State of N.Y.*, 360 U.S. 378, 391 (1959). The Commission evaluates each project based on the record in the proceeding. The Commission does not have a methodology for estimating carbon lock-in.

The Honorable Michael Burgess, M.D. (R-TX)

1. The recent Federal Energy Regulatory Commission and North American Electric Reliability Corporation joint report on Winter Storm Uri concluded that natural gas pipelines "performed as expected and were largely able to fulfill their firm transportation obligations. They were not significantly affected by the cold weather and freezing conditions. They were only minimally affected by power outages because most have gas fired compressors, redundant compression, and backup power."
 - a. Pipelines appear to be performing very reliably during extreme weather events— doesn't that suggest an entirely new pipeline reliability regulator is unnecessary?

RESPONSE: While it is true that the pipelines largely performed as expected during winter storm Uri, pipelines are not immune from extreme weather, which is occurring more often due to climate change. In addition, as last year's cyberattack on the Colonial Pipeline illustrates, pipeline infrastructure also faces a variety of other threats. Accordingly, I continue to believe that the lack of comprehensive federal oversight of pipeline reliability presents a threat to the reliability of both the interstate natural gas pipeline system and the bulk power system.

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2. Federal Energy Regulatory Commission has recently issued several notices of intent to prepare new environmental impact statements on projects for which FERC already determined that these assessments were sufficient, further delaying these projects.
 - a. Do you believe that delays in the Federal Energy Regulatory Commission certificate process could create a reliability problem?

RESPONSE: I do not. To the contrary, I am concerned that failing to fully comply with the requirements of National Environmental Policy Act and the Natural Gas Act poses the greater threat to reliability. For example, following the D.C. Circuit's vacatur in *Environmental Defense Fund v. FERC* of the NGA section 7 certificate issued to the Spire Pipeline, 2 F.4th 953 (D.C. Cir. 2021), the Commission was forced to issue an emergency certificate to address the threat of unreliable gas service in and around St. Louis. Following our obligations under the law, and thoroughly evaluating all record evidence, provides the best way to avoid similar reliability threats in the future.

Attachment—Additional Questions for the Record

**Subcommittee on Energy
Hearing on
“Securing our Energy Infrastructure: Legislation to Enhance Pipeline Reliability”
Wednesday, January 19, 2022**

The Honorable David M. Turk, Deputy Secretary, U.S. Department of Energy

QUESTIONS FROM THE HONORABLE FRANK PALLONE, JR. (D-NJ)

Q1. The Energy Product Reliability Act (H.R. 6084) instructs the Energy Product Reliability Organization to consult with the Secretary of Energy in developing energy product reliability standards for cybersecurity.

Q1a. Can you please elaborate on the Department of Energy’s role in coordinating cybersecurity for the energy sector, including the oil and gas industries?

A1a. The Department of Energy (DOE) is the Sector Risk Management Agency (SRMA) for the Energy Sector. In that capacity, DOE, through the Office of Cybersecurity, Energy Security, and Emergency Response (CESER), works closely with the entire U.S. energy sector to prepare for and respond to risks and threats to energy infrastructure. One specific way in which DOE coordinates cybersecurity with the energy sector is through the Energy Government Coordinating Council (EGCC). The EGCC is co-led by DOE and the Department of Homeland Security (DHS) and includes multiple agencies, including The Department of Transportation’s Pipeline and Hazardous Materials Safety Administration, the Transportation Security Administration, the Federal Bureau of Investigation, the Office of the Director of National Intelligence, among others, and acts as the counterpart to the industry-led Oil and Natural Gas Subsector Coordinating Council (ONG SCC). The ONG SCC includes the entire oil and natural gas supply chain (e.g., upstream, midstream, and downstream) and acts the primary forum between to discuss all risks and threats to oil and natural infrastructure in the United States.

In addition to the formal EGCC-ONG SCC coordination efforts, DOE is engaged in a number of efforts to improve energy sector cybersecurity. These activities include threat information sharing, supply chain risk management, cyber training for owners and operators, workforce development, and the development of cyber frameworks and tools.

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DOE recently released version 2.0 of its Cybersecurity Capability Maturity Model (C2M2), which helps energy companies assess the maturity of their cybersecurity programs. C2M2 version 2.0 was developed through input from 145 energy sector cybersecurity practitioners representing 77 organizations including electricity, oil, and natural gas subject matter experts.

Q1b. Do you agree that the Energy Product Reliability Organization should consult with the Secretary of Energy in establishing energy product reliability standards for cybersecurity?

A1b. The Department of Energy's (DOE) subject matter expertise could be leveraged in the referenced process. Similarly, DOE provides subject matter expertise to the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) on electricity sector reliability, security (cyber and physical), and resiliency.

Q1c. Are there any mandatory cybersecurity standards for oil and gas pipelines, and if so, when do those standards expire?

A1c. The Transportation Security Administration (TSA) has the authority to regulate pipeline cybersecurity. Under this authority, TSA recently released emergency mandatory security directives for select oil and natural gas pipelines and can provide the latest information on the requirements.

Q1d. Do Russia and China pose a cybersecurity threat to critical energy infrastructure, including oil and gas pipelines?

A1d. Yes, Russia and China continue to pose a cybersecurity threat to critical infrastructure, including oil and gas pipelines, as highlighted in the U.S. intelligence community's annual threat assessment.

Q1e. If your answer to Question 4 was yes, do you think mandatory cybersecurity standards for oil and gas pipelines would help guard against the threats posed by Russia and China?

A1e. The Department of Energy supports the need for additional cybersecurity oversight of the oil and natural gas sector broadly, including pipelines, through a collaborative government-industry approach.

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QUESTIONS FROM THE HONORABLE TOM O'HALLERAN (D-AZ)

- Q1. It is critical that we continue to strengthen our cyber defenses against malicious threats. While larger utilities often have the resources to invest in strong cybersecurity infrastructure, smaller utilities and rural utilities do not. Creating and funding the Rural and Municipal Utility Advanced Cybersecurity Grant and Technical Assistance Program in the bipartisan infrastructure bill, was a key part of addressing this issue.
- Q1a. Do you have an update on the status of that program and do you anticipate that DOE will start awarding grants and technical assistance this year?
- A1a. The Department of Energy (DOE) has a long history of working with municipal and rural electric utilities to address the cybersecurity of their systems. DOE intends to build upon those relationships and partnerships to implement the Infrastructure Investment and Jobs Act's (IIJA) technical assistance program to support those utilities. The Department is working diligently to develop plans to execute those funds.
- Q1b. Are tribal entities eligible for the program? If not, are there other programs within the Department that allow tribal-affiliated organizations to apply and receive cybersecurity funding and technical assistance?
- A1b. Tribal-affiliated organizations are eligible to apply for and receive funds and technical assistance under the IIJA's Grid Resilience Provisions: 40101 and 40103(b), which are also being implemented by offices within the Office of the Undersecretary for Infrastructure. Congress did not explicitly include Tribal entities as eligible entities in this program. Eligible entities for this program are rural electric cooperatives, municipal utilities, certain not-for-profits, and small investor-owned utilities, which could include direct or indirect involvement of Tribal entities.

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QUESTIONS FROM THE HONORABLE FRED UPTON (R-MI)

- Q1. On his first day in office, President Biden issued an Executive Order revoking the cross-border permit for the Keystone XL pipeline. The Keystone XL pipeline would have created tens of thousands of jobs and ensured a stable supply of nearly 800 thousand barrels per day of crude oil from a close ally and trading partner, Canada. If President Biden had not revoked the permit, the Keystone pipeline would allow the U.S. to produce more gasoline and diesel, while helping the U.S. to reduce imports from the Middle East and Russia. The Administration is also considering closing down Michigan's Line 5 pipeline, which supplies a large portion of the Midwest's propane and essential fuels for heating, agriculture, and manufacturing.
- Q1a. What is the Administration's position on the potential closure of Line 5?
- A1a. The Department of Energy cannot comment on the situation concerning Line 5 or the Administration's position on its potential closure. DOE does not have a direct role in any of the legal issues associated with this project. We are tracking the engagement between the State of Michigan and Enbridge on matters related to Line 5 and hope the parties can come to a mutually agreeable resolution.
- Q1b. Has DOE conducted analysis to determine the impact of closing Line 5? If so, please provide that analysis.
- Q1c. In 2018, the operator of Line 5 and the State of Michigan reached an agreement to build a tunnel beneath the Straits of Mackinac to replace Line 5 with a new pipeline. Do you support the 2018 agreement?
- A1c. For the reasons stated in response A1(a) above, DOE does not have a position concerning the 2018 agreement.
- Q2. What is DOE doing to prevent the use of renewable energy technologies and raw materials that were imported from China and mined, produced, or manufactured with forced labor?
- A2. While DOE does not have any regulatory authority to prevent imports, we are assisting the interagency in the Forced Labor Enforcement Task Force and will continue to work with the Department of Homeland Security and others to implement the Uyghur Forced Labor Prevention Act, and other laws prohibiting the importation of goods produced with forced labor. We also continue, through research, development, demonstration and

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deployment activities, to support development of the domestic industry that will reduce the need for imported materials.

- Q3. What is DOE doing to prevent the use of renewable energy technologies and raw materials that were imported from China and mined, produced, or manufactured in a manner that would violate U.S. environmental laws and regulations? How do you prevent the offshoring of emissions and verify the lifecycle environmental impacts of renewable projects with imported components?
- A3. DOE does not have authority to regulate imports; however, DOE is committed to proactively revitalizing domestic clean energy manufacturing and making these critical technologies and raw materials in America. In February, DOE released the first-ever industrial strategy to strengthen our clean energy supply chains, *America's Strategy to Strengthen the Supply Chain for a Robust Clean Energy Transition*.

Through implementation of the Bipartisan Infrastructure Law, DOE is making progress on addressing vulnerabilities and is taking significant steps to further secure U.S. energy supply chains. DOE recently released two Notices of Intent totaling \$6 billion in battery funding that will allow companies to expand and build new American factories with quality job opportunities in regions throughout the country. DOE released a Request for Information for the \$140 million allocated from the Bipartisan Infrastructure Law for a first-of-a-kind facility that will accelerate U.S.-made rare earth elements processing technologies that will boost domestic manufacturing of rare earth metals crucial for clean energy and national defense industries.

- Q4. Under procedures established through Executive Order, DOE may authorize exports of electricity and issue Presidential Permits for the construction, operation, and maintenance of electric transmission facilities.
- Q4a. Is DOE required to treat electric transmission lines the same as pipelines with respect to the environmental analysis and lifecycle GHG analysis?
- A4a. Consistent with longstanding CEQ and Federal agency experience and practice, DOE engages in context-specific NEPA analysis to identify the reasonably foreseeable effects of proposed actions. The pipeline reviews by FERC and the Department of State have different requirements than DOE's review of electric transmission lines, and DOE is not required to follow the same evaluation criteria or procedures as those agencies.

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- Q4b. Does DOE evaluate the impact of the transmission line on reliability and cost to American consumers?
- A4b. Yes. In determining whether issuance of a Presidential permit is consistent with the public interest, DOE reviews the project's impact on reliability to the United States electric grid. This is done through an assessment of system impact studies and other analyses conducted by, for example, the project proponent and the relevant regional Reliability Coordinator or Regional Transmission Organization. Additionally, DOE expects owners and operators of border facilities to provide access across the border in accordance with the principles of comparable open access and non-discrimination contained in the Federal Power Act and articulated in the Federal Energy Regulatory Commission's Order No. 888, Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities, as amended.
- Q5. Did DOE conduct an analysis on the negative impact of the Federal oil and gas leasing moratorium on U.S. energy security and gasoline prices? If so, please share the analysis.
- A5. DOE did not prepare such an analysis.
- Q5a. Will the Federal leasing moratorium and the Administration's proposals to raise the cost of energy production on public and private lands contribute to further gasoline price increases?
- A5a. Gasoline prices are influenced by many factors, with the cost of crude oil being the major component of prices. Crude oil prices have many drivers, including physical market factors as well as those related to trading and financial markets.

Since the time of the hearing, one of the more significant drivers increasing the cost of crude oil and in turn, gasoline, is the Russian invasion into Ukraine on February 24. The invasion, and the subsequent escalation of armed conflict, which had been preceded by increasing tensions in earlier weeks, has had a drastic impact on global markets and crude oil prices. On February 28, the front-month Brent crude oil price settled at over \$100/b for the first time since September 2014 and with the United States (U.S.) and others signaling that they will be eliminating or reducing their purchases of Russian fuel

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supplies, further increases of global prices of crude oil and subsequently, gasoline, have ensued.

- Q6. I am concerned the Biden Administration's anti-fossil fuel regulatory proposals are contributing to the energy crisis that Americans are facing today. Given DOE's responsibility to inform policies that could affect energy supply and prices, I expect you to be familiar with EPA's recently proposed methane regulations targeting the oil and gas industry. Additional methane regulations are unnecessary because they are duplicative of Federal and State regulations under the Clean Air Act, and because EPA already determined that new methane regulations will establish no additional health protections, and are, thus, unnecessary.

Do EPA air regulations have the potential to impact energy supply and prices?

- A6. The Department of Energy (DOE) does not have statutory authority under the Clean Air Act. However, E.O. 12866 requires federal agencies that author significant regulatory actions to assess the costs and benefits as defined by E.O. 12866. The Environmental Protection Agency (EPA), which has the statutory authority to promulgate Clean Air Act regulations, is responsible for developing regulatory impact assessments to meet the requirements of E.O. 12866 for significant regulatory actions under the Clean Air Act.

- Q6a. Was DOE consulted to evaluate the impact of new methane regulations on domestic energy production and gasoline prices? If so, what was the finding? If not, do you believe DOE should have been consulted?

- A6b. The Department participated in the standard interagency review process for several proposed methane rules and regulations that is used for all new significant regulatory actions. This included reviewing both technical support documents and regulatory impact analyses.

As an independent statistical and analytical branch of the U.S. DOE, the Energy Information Administration (EIA) provides outlooks and assessments on a variety of energy-related topics, including energy production and gasoline prices. The Short-Term Energy Outlook (STEO) provides a monthly forecast on production, commodity prices, and carbon dioxide (CO₂) emissions that includes key economic and regulatory factors through the next calendar year. The [Annual Energy Outlook](#) (AEO), supported by the [National Energy Modeling System](#) (NEMS), provides projections and analysis of U.S.

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energy supply, demand, and prices through 2050 based on a number of different scenarios. We note, however, that as the Federal oil and gas leasing moratorium was not in effect at the time of the most recent AEO, its potential impacts on supply and demand were not considered.

Additionally, the U.S. Environmental Protection Agency (EPA) carried out a regulatory impact analysis of its proposed methane regulations.

- Q7. Do you agree that the Nord Stream 2 pipeline strengthens Russia and decreases Europe's overall energy security?
- A7. We support the recent decision by European authorities to cancel the Nord Stream 2 natural gas pipeline, which would have maintained Europe's reliance on Russian natural gas while further enabling Russia to threaten Ukraine's economic, energy, and national security. The Biden Administration has consistently opposed Nord Stream 2 and encouraged our European partners and allies to diversify their energy supplies by country of origin, path of delivery, and fuel type, including renewable energy. As we look forward, Europe must strengthen its energy security while advancing its energy transition policies. Among other things, that means reducing the Continent's reliance on Russian energy imports. The European Commission has set ambitious targets in this respect, and we will do everything we can to help Europe achieve those goals.
- Q7a. Do you agree with the 2019 NETL Report that showed U.S. LNG exports are 41% cleaner than Russian natural gas delivered to Europe? Has DOE conducted a more recent analysis?
- A7a. The National Energy Technology Laboratory's (NETL) 2019 Update to the 2014 Life Cycle Analysis Greenhouse Gas Report was based on the most current available science, methodology, and data from the U.S. natural gas system at the time. NETL notes within the report that due to the wide range of scenario variability and uncertainty, expected values for the various scenarios considered in the report should not be interpreted as the most likely value, but should be interpreted as general guidance to provide perspective on trends. The 2019 Update is the most recent lifecycle analysis of liquified natural gas (LNG) exports that DOE/NETL has completed.

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- Q7b. Do you agree that U.S. LNG exports contribute to global lifecycle GHG emissions reductions by replacing more carbon intensive sources of fuel?
- A7b. NETL's Update to the Lifecycle Greenhouse Gas Report concluded that the use of U.S. LNG exports for power production in European and Asian markets will not increase global greenhouse gas (GHG) emissions when compared to regional coal extraction and consumption for power production. However, it is not clear that all U.S. LNG exports displace regional coal extraction and consumption for power production. Under some circumstances, U.S. LNG exports could contribute to increased global lifecycle GHG emissions, especially if the LNG exports allow for incremental energy consumption as opposed to displacing existing fossil fuel supply.
- Q7c. Will you commit to incorporating the benefits of U.S. LNG exports to global GHG emissions reductions when reviewing LNG export authorizations?
- A7c. DOE considers a range of relevant factors when evaluating applications for LNG exports to non-free trade agreement countries, including GHG emissions and other environmental impacts. NETL's studies on the lifecycle analysis of U.S. LNG exports and the impacts of unconventional production continue to be analytic tools relied upon in DOE's reviews of LNG export applications.
- Q8. In January, DOE initiated the biggest staffing expansion since the agency was established in 1977, with the announcement to hire 1,000 workers for a newly developed program called the Clean Energy Corps. The Clean Energy Corps appears to mirror the Green New Deal's proposed Civilian Climate Corps.
- Q8a. Please describe the legal authority for DOE to establish this new office.
- A8a. This is not a new office, but rather is being used to fill identified hiring needs within existing offices tasked with Congressionally-mandated Bipartisan Infrastructure Law (BIL) implementation. In order to fill the number of positions necessary to support the implementation of the historic BIL provisions, the Department of Energy has created a centralized hiring process under a unified branding—the Clean Energy Corps. The Clean Energy Corps is agency-branding to recruit and retain specialized clean energy and other professionals at the Department. More information on the Clean Energy Corps can be found at www.energy.gov/CleanEnergyCorps.

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- Q8b. What is the estimated budget of the Clean Energy Corps and how will this new office derive its funding?
- A8b. As noted above, the Clean Energy Corps is not a newly created office, and is supporting programs already funded by Congress. DOE is hiring talented, diverse, clean energy professionals into roles funded by the program direction allocation of 3% of funds in the BIL through a central hiring process and central branding.
- Q8c. How many full-time equivalent employees will be required for the Clean Energy Corps?
- A8c. The Department of Energy has identified close to 1,000 new positions that are expected requirements to successfully implement the investments of the BIL. These FTEs will be hired under Clean Energy Corps branding into existing program offices.
- Q8d. Will new employees of the Clean Energy Corps be hired as career DOE employees or contractors?
- A8d. Hires made under the Clean Energy Corps branding will be career DOE employees.
- Q8e. What number of Clean Energy Corps employees are preexisting DOE employees or contractors?
- A8e. As the hiring process is ongoing and positions are open to all DOE employees and the public, it is premature to speculate how many of these positions will be filled for BIL related activities by existing DOE employees or contractors. As noted on www.energy.gov/CleanEnergyCorps, "DOE's Clean Energy Corps is comprised of the staff from more than a dozen offices across DOE —current staff and new hires—all working together to research, develop, demonstrate, and deploy solutions to the world's greatest challenge. The Clean Energy Corps is a diverse group of talented individuals committed to public service and with a mission of supercharging the clean energy revolution." This includes staff in the applied programs of the Under Secretary for Science and Innovation and the programs under the Under Secretary for Infrastructure.
- Q9. During your testimony, you made several references to cybersecurity risks at refineries. What is DOE doing, and with which industry organizations is DOE working, to address these concerns?

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- A9. The Department of Energy (DOE) is the Sector Risk Management Agency (SRMA) responsible for the Energy Sector. In this role, DOE works closely with the entire U.S. energy sector to prepare for and respond to risks and threats to energy infrastructure, including pipelines.

As the energy sector SRMA, DOE co-chairs the Energy Government Coordination Council (EGCC) with the Department of Homeland Security (DHS). The EGCC is the government counterpart to the industry's Oil and Natural Gas Subsector Coordinating Council (ONG SCC). The ONG SCC includes representatives from all segments of the oil and natural gas supply chain, including refineries. DOE's products and tools (threat briefings, cyber tools and technologies, training, etc.) are generally applicable to all segments of the energy sector.

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QUESTIONS FROM THE HONORABLE MICHAEL BURGESS, M.D. (R-TX)

- Q1. The biggest threat to pipeline system reliability is not the lack of another federal regulator in the already heavily regulated pipeline industry. Instead, the primary challenge is that permitting-related obstacles have prevented the expansion of pipeline infrastructure where it's needed.
- Q1a. Do you believe the expansion of America's natural gas infrastructure over the past decade has made our energy system more reliable?
- A1a. According to a 2014 study by the Massachusetts Institute of Technology [MIT](#), it was determined that the U.S. natural gas infrastructure network has "few single points of failure that can lead to a system-wide propagating failure". The reasoning for the resiliency of the natural gas infrastructure lies within the large number of both producing and drilled but uncompleted wells (DUCs), a nationwide storage footprint, robust engineering of pipelines to handle elevated in-line pressures (even if half of the nation's compressors were to fail), and the ability of the network to run without supervision or power.

U.S. natural gas interstate pipeline capacity additions have averaged about 11 billion cubic feet per day per year since 2015, according to the EIA.^[1] The expansion of natural gas pipeline infrastructure has increased the ability of the producers in key regions to access more markets, and that has improved the reliability of the market to provide consumers with natural gas. In a few areas however, such as the Northeast and the Northwest, pipeline constraints can lead to higher natural gas prices than in other areas of the country. Rather than build new natural gas pipeline capacity, the Biden administration prioritizes reducing natural gas consumption through increased energy efficiency and electrification of building space and water heating, consistent with the administration's climate and equity goals.

^[1] [Natural gas interstate pipeline capacity additions decrease in 2021 - Today in Energy - U.S. Energy Information Administration \(EIA\)](#)

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QUESTIONS FROM THE HONORABLE KELLY ARMSTRONG (R-ND)

- Q1. The Department's Fiscal Year 2022 budget zeroes out the Unconventional Fossil Energy Technologies budget line. While the Department is seeking to eliminate future funding for this program, will you commit to the Department funding key unconventional energy projects that have already been awarded and are underway in North Dakota?
- A1. The unconventional energy projects in North Dakota are multi-year projects that, once awarded, are legally binding. The FY 2022 Omnibus Bill provides funds for unconventional test sites that allow the Department to continue to honor its commitments for these projects.
- Q2. Through the Energy and Environmental Research Center in Grand Forks, North Dakota is integrally involved in the Department's Regional Carbon Sequestration Partnerships. With over 120 public and private sector stakeholders, the Plains CO2 Reduction Partnership is laying the groundwork for permanent, safe, and practical underground storage of carbon dioxide from industrial facilities in the region.
- Q2a. Will the Department honor the commitment to provide continued funding to regional partnerships, including the Plains CO2 partnership?
- A2a. DOE's Office of Fossil Energy and Carbon Management (FECM) had supported the Regional Carbon Sequestration Partnerships for over twenty years. Their efforts have been instrumental in developing the technical capacity and providing assistance in the U.S. for the commercial deployment of carbon capture and storage (CCS). Many of the same organizations in the Partnerships are now supported through the Regional Initiatives and continue to support developers of commercial storage facilities with technical assistance, regulatory strategies, and public engagement. DOE is committed to supporting the Regional Initiatives with the additional appropriations provided in FY 2022 to provide technical assistance to CCS project developers.
- Q3. In addition to working on carbon sequestration, the EERC has assembled a key test center for Solid Oxide Fuel Cells for the Department of Energy. It is anticipated, through a previously approved proposal, that this center will receive \$2 million in Fiscal Year 2022 to continue to support research efforts.
- Q3a. Will the Department commit to honoring the Solid Oxide Fuel Cell test center and other previously approved proposals?

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A3a. DOE has paid \$2,250,000 so far and has yet to obligate the remaining \$1,750,000 in incremental funding for the Solid Oxide Fuel Cell (SOFC) Test Center. DOE's FECM has also supported Energy and Environmental Research Center through competitive awards. Presently, support continues under the SOFC project "Coal Syngas Cleanup for Commercially Viable SOFC Performance", which continues through FY 2023.