

United States Senate
REPUBLICAN LEADER

March 24, 2022

The Honorable Richard Glick
Chairman
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Dear Chairman Glick:

I am concerned about the recent FERC orders regarding natural gas pipelines and facilities entitled *Updated Policy Statement on Certification of New Interstate Natural Gas Facilities* and *Interim Policy Statement on the Consideration of Greenhouse Gas Emissions in Natural Gas Infrastructure Projects*. It is particularly troubling that the Commission made both these policies immediately effective on both new and currently pending applications. Unfortunately, these ill-advised policies will have a chilling effect on the market and inject significant levels of new uncertainty to a process that was already long and laborious enough.

The timing of these new mountains of red tape is especially baffling. About a week before Vladimir Putin invaded Ukraine and our European allies needed U.S liquefied natural gas more than ever, the FERC chose to impose these new restrictions on the very projects that would carry natural gas to our LNG terminals. Further, both FERC and Department of Energy have been sitting on various requests for new U.S. LNG export terminals and proposed expansions of existing U.S. LNG export facilities for far too long.

As Americans struggle with the worst inflation in 40 years, including natural gas prices up 24 percent compared to just one year ago, it will not help American families to further restrict supply and make it nearly impossible to approve the very pipeline projects that could put more natural gas on the market. At a time when we should be looking for ways to expedite the approval of these important projects, the Commission has chosen on a purely partisan basis to do the exact opposite. Erecting new roadblocks to affordable, abundant energy makes no sense, particularly in this tenuous time.

According to your own website, it appears the FERC has as many as 15 major pipeline projects awaiting approval that would carry over 9 billion cubic feet per day of sorely needed natural gas to customers. These projects are projected to inject more than \$3.8 billion of investment into the U.S. economy, most often through high paying union jobs. Unfortunately, these 15 projects have been languishing at the FERC for an average of more than 480 days — over a year under the boot of the Biden Administration and the Democrat-controlled FERC. At least five of these projects appear to have languished for more than 600 days.

Unless your website is incorrect, this is an embarrassing record of bureaucratic stagnation. Yet FERC's response is to impose two new major policy statements that appear to make it exponentially harder still for pipeline projects to be approved. Hamstringing our energy security with new ill-defined "environmental justice" factors and both direct and indirect climate effects — many of which are not even under pipeline builders' control — is not a recipe for success. We should be streamlining the pipeline review and permitting processes, not making them more arduous, cumbersome and time-consuming.

As one infrastructure builder recently wrote you: "By applying an entirely new set of unclear standards to pending certificate applications, the Commission has undermined confidence in the predictability and fairness of its processes... The Commission's actions have heightened investment risk, which will in turn yield fewer infrastructure projects, which will in turn yield higher costs for consumers at a time when concerns over the cost of energy is at an all-time high. This result is predictable."

FERC describes its mission as "to assist consumers in obtaining economically efficient, safe, reliable, and secure energy services at a reasonable cost through appropriate regulatory and market means, and collaborative efforts." These partisan regulations undermine the market in ways that make energy less economically efficient, less safe, less reliable, and less secure.

As demonstrated in the Senate Energy and Natural Resources Committee hearing earlier this month, there is bipartisan opposition — if not outrage — toward these two new FERC policies. Given the bipartisan opposition, it is hard to imagine how any nominee advocating a proposal so fundamentally at odds with the Commission's stated mission could merit Senate confirmation. FERC should rescind these two orders immediately and return to the pipeline policy that has provided regulatory certainty through numerous Administrations of both parties for more than four decades. Thank you for considering these comments. I hope you act on them.

Sincerely,

A handwritten signature in black ink that reads "Mitch McConnell". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

MITCH McCONNELL
SENATE REPUBLICAN LEADER

CC:

The Honorable Joe Manchin, Chairman, Senate Energy and Natural Resources Committee
The Honorable John Barrasso, Ranking Member, Senate Energy and Natural Resources Committee
The Honorable James Danly, FERC Commissioner
The Honorable Allison Clements, FERC Commissioner
The Honorable Mark Christie, FERC Commissioner
The Honorable Willie Phillips, FERC Commissioner