

Full Committee Hearing On
Federal Hydrogen Pipeline Regulatory Authorities

Tuesday, July 19, 2022

Chairman Manchin Opening Statement

- The Committee will come to order.
- Today we will discuss the interstate infrastructure needed for hydrogen to play a significant role in a cleaner energy future.
- We'll hear from our witnesses about the outlook for developing this infrastructure, including repurposing existing infrastructure to transport hydrogen. We will also hear testimony about the statutory and regulatory frameworks that may affect these projects.
- This Committee has jurisdiction over FERC, which oversees siting of interstate natural gas pipelines. FERC also sets rates charged to ship natural gas, petroleum products, and electricity between States.
- As the potential for hydrogen-based energy grows in our country, we have a responsibility to ensure clarity and predictability regarding the laws that apply to interstate hydrogen energy projects.
- Hydrogen has received a lot of attention from members from both sides of the aisle, including many on this Committee. And I know many of us here today are interested in the opportunities for hydrogen in our home states. And for good reason.
- Clean hydrogen can decarbonize our energy intense sectors, promote American economic prosperity, and provide energy security—

whether that hydrogen is produced from fossil fuels with carbon capture, renewable energy through electrolysis, or even nuclear power.

- The International Energy Agency forecasts that under a net-zero emissions by 2050 scenario, global hydrogen demand will more than double between 2020 and 2030.
- But for wide scale deployment of hydrogen as a fuel source, transportation and delivery infrastructure must be developed. Today, there are limited options for commercial transportation of hydrogen.
- The U.S. currently has a hydrogen pipeline network of only about 1,600 miles, compared to 300,000 miles of natural gas transmission pipelines and 200,000 miles of petroleum product pipelines.
- Hydrogen reacts differently with steel than natural gas, so we will need infrastructure to be specifically prepared to handle hydrogen.
- We will certainly need to build some new infrastructure dedicated solely to transporting and storing hydrogen.
- There is also potential to adapt our country's extensive natural gas delivery network in the near-term to support a blend of hydrogen and natural gas, and perhaps in the longer term, to transport pure hydrogen. More work is needed to look at the safety and feasibility of these modifications.
- Really, we've got a lot of work to do to make our hydrogen goals a reality. We must accelerate these efforts for the sake of both our energy security and our environment.

- This takes me to my next point. We need to remove uncertainty regarding the regulatory process for developing hydrogen infrastructure.
- We should fully expect that the hydrogen network of the future will cross State lines.
- In West Virginia, we're anticipating hydrogen could flow across our borders with Ohio, Pennsylvania, Kentucky, and our other neighbors.
- Our Committee helped provide \$8 billion in funds for *regional* hydrogen hubs in the bipartisan infrastructure bill. This means a hub could involve more than one State.
- To develop the hydrogen infrastructure needed to support a clean and secure energy future, the rules of the road must be clear.
- Clarity is important for hydrogen pipeline developers, producers, consumers, and communities potentially affected by development.
- It appears there is uncertainty today around which federal laws apply to interstate hydrogen infrastructure, and about which federal agencies could or should be involved in siting this infrastructure and setting service rates.
- If that is the case, our Committee should take steps to ensure a predictable and effective regulatory framework because regulatory uncertainty benefits no one.
- There is a compelling argument for FERC to play a role for interstate hydrogen infrastructure similar to its responsibilities for natural gas and petroleum pipelines today.

- For natural gas, FERC reviews proposals to site new interstate pipelines, storage, import, and export facilities.
- Under the Natural Gas Act, FERC has final say on a pipeline route, after receiving a proposal from the developer and input from State agencies, communities along the route, and other stakeholders.
- I've certainly had my fair share of disagreements with FERC over natural gas issues recently. Still, it's clear to me that the Commission's natural gas siting authority helps avoid challenges we see again and again developing other types of interstate energy infrastructure.
- In the absence of a federal siting authority, years-long disagreements between different States and agencies over approvals have delayed or blocked projects that our country desperately needs.
- The Natural Gas Act and FERC will play at least some role in the growing hydrogen economy. Researchers and natural gas companies, with support from DOE, are already piloting the transportation of hydrogen blended into natural gas pipelines.
- These blended pipelines are subject to the Natural Gas Act, as FERC's Chairman has already confirmed.
- Because many of the energy applications for hydrogen are similar to those for natural gas, it may make sense to also treat pure hydrogen pipelines the same as we treat natural gas pipelines.

- For oil pipelines, FERC also has a role, though it is more limited. FERC sets rate and service requirements, but siting is left to State authorities. This approach has its benefits and drawbacks, too.
- I'm interested to hear our witnesses' perspectives on both approaches today.
- I also want to acknowledge that ensuring the safety of hydrogen pipelines is absolutely critical. This is the responsibility of DOT's Pipeline and Hazardous Materials Safety Administration and our colleagues on the Commerce Committee.
- Now with that said, we have a crisis in this country: we face huge challenges getting the energy infrastructure we absolutely need sited, permitted, and built—challenges that weaken our energy security and jeopardize our ability to meet our climate goals.
- My position is this: we can't be short-sighted here. We need to look to the future and play the long game. We must get the right regulatory structure in place now, at the ground floor, that will help us accelerate hydrogen to scale in this country.
- So I look forward to hearing from our panel of witnesses on these topics to ensure our nation can start putting hydrogen infrastructure to use to fuel a cleaner and more secure energy future.