

U.S. SENATE COMMITTEE ON

ENERGY & NATURAL RESOURCES



SENATOR MARIA CANTWELL, *Ranking Member*

@EnergyDems

Opening Statement Senator Maria Cantwell (D-Wash.) Hearing on LNG Export Legislation January 29, 2015

“Thank you, Madam Chairman, for this hearing.

“As you’ve said we’re on the floor on a serious policy discussion about energy, and we’re having this hearing this morning.

“I think it’s obvious to everyone that we’re two female committee leaders, but we also have two female staff directors. I think the fact that we’re having this hearing and the floor debate at the same time just shows you that we’re capable of multi-tasking when it comes to energy policy. Anyway, it makes for a busy day.

“We’re here to discuss S. 33, and that is a bill to seek accelerated and more certainty to the process of determining natural gas exports and whether they are in the public’s best interest. As we consider this bill, and how to discuss it, we obviously are interested in taking advantage of America’s abundant natural gas and its ability to help transform our economy.

“It was only 10 years ago when we were discussing how we would need to import natural gas, and how many new terminals we would need to build to meet growing demand. But over the last eight years, natural gas production has increased by 36 percent.

“Today’s natural gas has become so plentiful and inexpensive that we’re reversing the flow and turning those LNG import facilities into export facilities.

“We’re here today to discuss some of my colleagues – five members of my committee in fact – are looking for ways to help speed up that export permitting process. And I appreciate the fact that they are doing so in a way that respects the critical NEPA (National Environmental Policy Act) process and maintains the legal requirements for exports to receive a public interest determination. I would like to note however that the Department of Energy (DOE) has recently changed the process to approve these new projects and the goal was to speed up the overall approval process.

“So as we’re considering S. 33 legislation, I’m interested to know whether these issues have actually been addressed. Is the new revised DOE process actually working? In the five months



since DOE adopted the new policy, it has issued four separate approvals for LNG export facilities. Of the 37 applications for exports to non-Free Trade Agreement (FTA) countries, currently 32 are pending. We must consider whether the revised process is the best way to evaluate those projects.

“And second, what are the policy implications for the fixed deadline? I’m sure we’ll get in to that during this discussion here. And the determination about the public interest. A fixed deadline is not necessarily always in the applicant’s best interest. What if the authorization can’t be made in 45 days? But could be made in 60 days? Or could be made in 90 days? It would be unfortunate that the applicant could actually get turned down simply because of the timeline this bill lays out, rather than from a public interest determination.

“And third, is it appropriate for DOE to make this determination before the Federal Energy Regulatory Commission (FERC) process is completed? Right now DOE starts its public interest process after FERC approval is issued. The bill would require the DOE to start its process after the NEPA process is complete. But the FERC approval requires more than just NEPA review. The FERC approval process includes a robust public comment period to vet the siting of these facilities.

“So, all these are important questions that we’ll have for today’s hearing Madam Chair. Thank you so much for giving our colleagues a chance to be here to discuss this issue.

“Besides the five members who support this legislation, some of which has already been implemented, we have great concerns about what is the impact of this as it relates to pricing of natural gas in the Midwest. I, being from a hydropower state, am always very aware how energy is the lifeblood of an economy. And how much energy has re-built the Northwest’s economy over and over again. I just want to understand how this will impact our industrial users.

“I look forward to having questions from the panelist who are here today to testify.

“Thank you.”

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