



FERC Podcast Transcript
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Chairman McIntyre discusses recent and upcoming activity at FERC

Mary O’Driscoll: Welcome back to Open Access, a FERC podcast. Today we’re talking to FERC Chairman Kevin McIntyre about what’s been going on at the Commission for the past several weeks, and what to expect this fall. Chairman, welcome back to Open Access.

Chairman Kevin McIntyre: Thank you, Mary. It’s good to be with you.

Mary O’Driscoll: Let’s start off with the two big pieces of LNG news: FERC and the Pipeline and Hazardous Materials Safety Administration, which is part of the Department of Transportation, signed a Memorandum of Understanding regarding the LNG siting process. And then, FERC announced the regulatory schedules for 12 LNG export terminal applications. This LNG work has been on the front burner for some time and a particular focus of yours. So, the MOU: What is its significance?

Chairman McIntyre: I am very excited about this MOU, which I signed on August 31 on behalf of FERC in cooperation with PHMSA. It is one of those “good government” actions that we could always use more of. It represents a cooperative effort by two government agencies, independent of each other, to make our work and our processes more effective and more efficient. That has been one of my key goals since arriving here at the Commission last year.

What we are doing is leveraging each agency’s expertise to process LNG applications in the safest and most efficient way possible. We could not have done this without the cooperation and leadership of Transportation Secretary Elaine Chao and PHMSA Administrator Skip Elliott.

This agreement in particular establishes a framework for coordination between FERC and PHMSA to process LNG applications in a timely and expeditious manner, while ensuring decision-makers, project sponsors, and other stakeholders are fully informed on public safety impacts.

The MOU provides that PHMSA will review LNG project applications to determine whether a proposed facility complies with the safety standards set forth in PHMSA’s regulations, and that PHMSA will issue a letter to FERC stating its findings regarding such compliance. FERC will then consider PHMSA’s compliance findings in its decision on whether a project is in the public interest.

FERC will continue to conduct its extensive review under sections 3 and 7 of the Natural Gas Act, just as it always has.

Mary O’Driscoll: Regarding the pending LNG terminal applications, what does it mean now that there are new schedules out for them?

Chairman McIntyre: Those schedules reflect FERC’s multifaceted efforts to streamline its review process for LNG project applications. There is widespread acknowledgement that the United States is poised to play an important role in serving worldwide natural gas demand. The U.S. is projected to be the third largest LNG exporter, and our exports continue to have widespread, bipartisan support, as exports benefit national security, our balance of trade and economic development at the state and local level. A recent ICF study concluded that over the next five to 10 years, LNG exports could create hundreds of thousands of jobs and add more than \$70 billion annually to the nation’s GDP. Sufficient LNG export capacity is a necessary gateway to global gas markets, and so FERC’s efficient processing of LNG facility applications will put the U.S. in a more competitive position globally.

Thanks to the tremendous work of our Office of Energy Projects and our Office of the General Counsel, the Commission has made significant strides in streamlining our regulatory processes to adapt to the increasing number, and greater complexity, of the LNG project applications we have received.

As FERC is the lead siting agency for LNG projects, our responsibility over LNG applications is to assess the environmental effects, safety, and engineering of LNG facilities in a timely manner in accordance with our statutory obligations. Our recent streamlining efforts will provide all LNG stakeholders additional regulatory certainty and help minimize undue administrative burdens.

These process improvements have shortened projected environmental schedules, in some cases by 9 to 12 months, and will help to ensure that FERC will be equipped to process applications in a timely and expedient manner without compromising its statutory obligation to ensure safety and environmental protection.

Mary O’Driscoll: What are some of the specific process improvements that FERC has made?

Chairman McIntyre: The Commission has added several key LNG staffers, and has taken several steps that will help save staff time by allowing staff to focus on reviewing LNG applications. Among them are, of course, our new MOU with PHMSA, but also we have hired an outside contractor to assist Commission staff in construction inspections; and FERC staff are working with project applicants to hire third-party contractors to conduct analyses that involve non-proprietary information.

Mary O’Driscoll: What do these scheduling announcements mean for the process – what happens for example, if the Commission, for whatever reason, misses these deadlines?

Chairman McIntyre: I would stress that the processing timeframes are project-specific. Each forecast schedule is based on the project applicant providing complete and timely responses to any

data requests from the FERC staff. Each forecast schedule assumes that the cooperating agencies will provide input on their areas of responsibility on a timely basis.

If these things occur as envisioned, Commission staff anticipates that the schedules can be met. However, if a schedule change becomes necessary, an additional notice will be provided, when appropriate, so that the relevant agencies are kept informed of each project's progress.

Mary O'Driscoll: The Commission is just getting over the August recess – there is no Commission meeting in August – and is gearing up for the fall. There are some major issues out there that the Commission is in the middle of addressing. What's coming up on the Commission's agenda?

Chairman McIntyre: Besides the MOU with PHMSA that I just described, we have several major items on the Commission's agenda in the coming months. Topping that list is the examination of the resilience of the bulk power grid that we began in January. My colleagues and I, along with our terrific Commission staff, are still reviewing the submissions and determining what additional action is needed to address grid resilience that could encompass a range of actions that allow the transmission grid to withstand, to adapt to, and to recover from both naturally occurring and man-made disruptive events.

Protecting and promoting the resilience of the bulk power system continues to remain a top FERC priority during my time as Chairman.

As you know, Mary, another significant matter is our inquiry into whether, and if so, how, to revise the Commission's existing policies regarding our review and authorization of natural gas transportation infrastructure under section 7 of the Natural Gas Act. Our current policy statement dates back to 1999, and the natural gas industry has undergone significant change in that time. As I told the Senate Energy and Natural Resources Committee earlier this summer, we need to make sure that our gas certification process and policies are as efficient and as effective as possible, and are reflective of the circumstances and conditions that prevail in the industry today.

In addition to those critical policy issues, we have a number of other important matters that we are tackling, including the review of FERC's policies and regulations under the Public Utility Regulatory Policies Act of 1978, and the ongoing challenge of protecting our energy infrastructure from both physical and cyber attacks.

Mary O'Driscoll: Switching gears here a bit: There has been a lot of media attention in recent weeks on recent public remarks by the FERC Chief of Staff and whether he is speaking for you or for the Commission. What can you tell us about this – is he speaking for you?

Chairman McIntyre: The Federal Energy Regulatory Commission speaks through its orders, not through speeches, tweets, or other statements of the Commission's Chairman, other Commissioners, or staff – although those, too, are avenues of communication that we use under appropriate circumstances without them purporting to serve as statements of Commission policy.

My Chief of Staff has primary duties that include overseeing our agency's day-to-day activities and managing the efforts of the program office directors. He is highly qualified to serve as Chief of Staff because of his demonstrated leadership ability.

A particular strength of his is his ability to work well in coordination and collaboration with other federal entities. For instance, under the Chief of Staff's leadership, we have markedly increased our regular communications and coordination with the Department of Energy and the national security community on matters pertaining to cybersecurity. And under the Chief of Staff's leadership, the FERC today coordinates closely with state and other governmental entities, in addition to regulated companies, in ensuring that they, too, are able to maintain awareness of cyber threats and take appropriate protective measures.

Also, the PHMSA MOU could not have happened without the kind of effective collaborations with the Secretary of Transportation that our Chief of Staff engaged in.

Mary O'Driscoll: Last time you and I spoke on this podcast, you mentioned you were experiencing some back problems. How do you feel now?

Chairman McIntyre: Yes, Mary, as we discussed in my last podcast, I recently broke some vertebrae, which I'm sorry to report is every bit as painful as it sounds. I am now well on the mend and am feeling better every day.

I am grateful for everyone's concern while I have been recovering. I also am happy to report that I have continued to work full steam ahead with my colleagues, my personal staff, and the Commission's professional staff, to ensure that the Commission's work continues unabated. In fact, the August break wasn't really much of a break. The Commission issued 156 orders between the July open meeting and Labor Day, and we are definitely gearing up for a busy fall. I am excited about our agenda in the coming months and I look forward to working with my colleagues and staff to continue our work on the Commission's important matters.

Mary O'Driscoll: Well thank you so much, Chairman, for your time today.

Chairman McIntyre: Thank you, Mary.

Craig Cano: FERC is an independent regulatory agency that oversees the interstate transmission of electricity, natural gas and oil. FERC reviews proposals to construct and operate interstate natural gas pipelines and liquefied natural gas terminals, and oversees the licensing of nonfederal hydropower projects. FERC protects the reliability of the high-voltage interstate transmission system through mandatory reliability standards, and it monitors interstate energy markets to ensure that everyone in those markets is playing by the rules. Unless otherwise noted, the views expressed in these podcasts are personal views and do not necessarily express the views of individual Commissioners or the Commission as a whole. This podcast is a production of the Federal Energy Regulatory Commission's Office of External Affairs, Leonard Tao, director. We will be

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