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FERC Chairman Defends NatGas Infrastructure Expansion as a Climate Plus

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If the Obama administration's plan to reduce carbon pollution is to be successful, it will need to rely on natural gas and existing and substantially expanded delivery infrastructure, FERC Chairman Cheryl LaFleur told a National Press Club audience in Washington Tuesday.

LaFleur struck back at environmental opposition, which has recently included sit-ins during Federal Energy Regulatory Commission meetings. She warned that the expansion and construction of natural gas pipelines -- while an integral part for helping the U.S. Environmental Protection Agency (EPA) meet the goals laid out in its Clean Power Plan (CPP) -- faces "unprecedented opposition" from environmental groups. She said that makes transparency at FERC essential.

"I think additions to both the gas and electric infrastructure will be needed to carry out the CPP. In the case of gas pipelines and gas compressor stations, FERC is the one who does the environmental review, permits them and decides the rates."

According to LaFleur, [Building Block 2](#) of the CPP -- which calls for increased use of power sources that emit lower amounts of carbon pollution, such as natural gas combined cycle units -- will likely account for the largest amount of carbon reduction.

"[It] calls for substantially increasing the utilization of the natural gas plants that exist all around the country," LaFleur said. "Based on everyone that I've talked to, meeting the goals of the CPP will also lead to the construction of a lot of new gas generation because...that can be the most cost-effective way to meet some of the goals, and EPA had given people the flexibility to meet each state goal in the most cost-effective way."

"We are very fortunate to have abundant and relatively affordable domestic natural gas...But utilizing that gas to meet climate goals will require the expansion and construction of gas infrastructure, both pipelines and compressor stations, to get it where it needs to be to keep the lights on."

But gas pipelines are facing unprecedented opposition from local and national groups, including environmental activists. "These groups are active in every FERC docket, as they should be, as well as in my email inbox seven days a week, in my Twitter feed, at our open meetings demanding to be heard, and literally at our door closing down First Street so FERC won't be able to work [see [Daily GPI](#), [Jan. 22](#); [Nov. 7, 2014](#)]. We have a situation here."

LaFleur said FERC takes the views of all stakeholders seriously, and was trying hard to consider all of the issues relevant to any pipeline's construction.

"I think that our nation is going to have to grapple with our acceptance of gas generation and gas pipelines if we expect to achieve our climate and environmental goals," LaFleur said. "I think our work on permitting gas infrastructure is going to be essential to the successful implementation of the CPP, and I'm dedicated to ensuring that the process is fair, clear, timely and transparent."

"I'm honored to lead an agency that's bipartisan and independent by design, and that's built up credibility due to all of the people that came before us. Because of that independence and credibility, people both for and against the CPP are looking to us to publicly validate their views. I've taken a pretty firm line that I don't think that's FERC's role.

"FERC is not an environmental regulator. Blessedly, we are not tasked with writing the final rule this summer -- EPA is reviewing their millions of comments, and they will put out the final rule. But make no mistake, I think FERC will have an essential role to play as the CPP and our response to climate is implemented."

In 2013, President Obama directed EPA to work closely with states, industry and other stakeholders to establish carbon pollution standards for both new and existing power plants (see *Daily GPI*, [June 26, 2013](#)). A presidential memorandum called for EPA to finalize the proposed CPP by June 1.

LaFleur said she thinks the United States can achieve progress on environmental issues, including climate change, "but only if we are willing to build the infrastructure and the energy markets to make that possible."