

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Certification of New Interstate)
Natural Gas Facilities

Docket No. PF18-1-000

**COMMENTS OF THE
INDUSTRIAL ENERGY CONSUMERS OF AMERICA**

Pursuant to notice of inquiry issued by the Federal Energy Regulatory Commission (FERC or Commission) (83 FR 18020), the Industrial Energy Consumers of America (IECA) files these comments concerning the Certification of New Interstate Natural Gas Facilities.

I. COMMUNICATIONS

Any communications regarding this pleading or this proceeding should be addressed to:

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II. INDUSTRIAL ENERGY CONSUMERS OF AMERICA

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 3,700 facilities nationwide, and with more than 1.7 million employees. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, independent oil refining, and cement.

III. THE CRITICAL NATURE OF NATURAL GAS PIPELINES TO THE MANUFACTURING SECTOR FOR INVESTMENT AND JOB CREATION.

IECA member companies are natural gas and electricity-intensive consuming companies from every major industrial sector. We are important stakeholders because our ability to maintain and increase manufacturing jobs is dependent upon an increase in the deliverability of the supply of natural gas. If there are insufficient deliverability capabilities to move natural gas to operate our facilities, we have no choice but to relocate to other states or offshore. If we move offshore, the jobs move offshore with us.

The manufacturing sector consumes 29 percent of natural gas and 25 percent of the electricity, much of which is generated by natural gas. Figure 1 illustrates the importance of manufacturing to the U.S. economy.

Figure 1. Manufacturing Statistics

	2017 Manufacturing Statistics
Employment	12.4 million
Annual Payroll	\$643.4 billion
Value Added	\$2.2 trillion
Total Value of Shipments and Receipts for Services	\$5.4 trillion
Capital Expenditures	\$168.3 billion

Source: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, U.S. Census Bureau

IV. COMMENTS

1. Review process: The current review process does a good job in identifying the need for new pipeline capacity within the context of serving domestic demand. Although, pipelines are relying more on precedent agreements to support construction, IECA is not aware of any evidence that precedent agreements represent a significant risk of pipelines being underutilized.

2. *Public interest standards:* There should be a different set of standards for pipelines that are aimed at facilitating LNG exports. The LNG export ‘cost versus benefit’ equation is significantly different because the supply is not serving the domestic market, which is the ‘public interest.’ LNG exports serve the public of other countries.

3. *Eminent domain:* The Commission must maintain eminent domain as a primary tool to support the development and construction of pipelines. It is a critical tool to ensure load is adequately supplied particularly in heavily populated areas of the country.

4. *The Commission must play the role of lead agency:* The Commission must always decide what alternatives are to be considered, determine the best route, and establishes the schedules. The Memorandum of Understanding (MOU)¹ advances this objective.

5. *Congress granted the Commission the responsibilities to provide regulatory clarity and certainty:* The Commission should fully support the implementation of all environmental regulations. All interested parties need to know what the Commission requires to demonstrate the PC&N under the Natural Gas Act (NGA) and the National Environmental Policy Act (NEPA) to fulfill its responsibilities.

6. *Transparency of process:* Requirements and processes must be clear. The recent MOU also advances this objective.

7. *Stakeholders should be given ample opportunity for comment:* Stakeholders deserve to have sufficient information upon which to comment. Once the comment period ends, the Commission should only accept late comments for good cause.

¹ <https://www.whitehouse.gov/wp-content/uploads/2018/04/MOU-One-Federal-Decision-m-18-13-Part-2.pdf>

8. *Early and frequent collaboration:* Collaboration among all agencies and entities is critical to ensure all statutory mandates are followed, while raising and resolving differing requirements or opinions. The MOU advances this objective.

9. *Pre-filing process should refocus to original intent:* The original intent is to identify key issues early and resolve them quickly.

10. *Pipelines need clear policy with respect to landowners:* Clear policies are needed that are studiously followed and reflect respect for the landowners.

11. *The Commission must response to timely requests for intervention and rehearing.*

12. *Accept remote sensing data:* Agencies should accept data obtained through remote sensing where landowners deny survey access. The goal is to have good data while respecting the landowner's rights.

13. *Revised test for PC&N should rely on objective and measurable criteria:* Avoid competing claims and litigation risk by avoiding as much subjective criteria as possible.

Submitted by:

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Industrial Energy Consumers of America