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Federal Energy Regulatory Commission
Secretary of the Commission
888 First Street SE
Washington, DC 20426

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ENERGY
REGULATORY COMMISSION

Re: Docket No. PL19-4-000

Dear Commissioners:

The incentives for building additional natural gas pipelines embodied in the 2005 amendments to the Natural Gas Act may have been justified at the time, but they are not today. Growing scientific evidence about the looming threat of global climate change, coupled with the rapid advance of renewable energy, make your review of the return on equity (ROE) policy timely and significant.

As FERC policy now stands, utilities are guaranteed ROE's of up to 15%, far exceeding the returns the private market would normally provide. Fourteen years ago, it could plausibly be argued that such high incentives were needed to strengthen the U.S. energy system against over-reliance on foreign sources of oil and gas. The fracking revolution changed all that, and we are now a net exporter of oil and pushing hard to export natural gas as LNG.

In 2005, our understanding of global climate change was limited. Now we know it is imminent and potentially catastrophic. In 2005, it was reasonable to think of natural gas as a bridge fuel for producing electricity, a cleaner substitute for coal while we awaited the emergence of renewables. Now we know that, due to methane leakage at all stages, gas is as dangerous for climate change as coal.

In 2005, renewable energy systems were in the early stages of development. Now, advances in technology and economies of scale have made solar and wind cost-competitive with coal and natural gas. In 2005, we had no experience with industrial scale batteries capable of backstopping intermittent wind and solar. Now such batteries are being deployed and their cost is falling. In 2005, we understood little about smart-grid technology and management. Now we are in the early stages of adopting strategies for moving electricity quickly in response to changes in demand.

Energy independence, the key justification for the 2005 amendments, can best be achieved by exploiting our abundant, free, and infinite wind and solar resources. For the shift we must make to a clean energy economy, our most critical resource is knowledge. Our most important challenge is to bring our policies into alignment with scientific advances and recognition of the challenges we face.

Sincerely,

Eleanor M. Amidon

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