# NATIONAL PETROLEUM COUNCIL MEETING

WEDNESDAY, DECEMBER 3, 2025

9:00 A.M.

Reported by: George Quade, CERT

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I N D E X (Continued) PAGE:

P R O C E E D I N G S

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(Meeting called to order, 9:04 a.m.)

MR. ARMSTRONG: Good morning. If everybody could please find their seat, please, so we can go ahead and get started. Thank you.

Well, good morning, ladies and gentlemen. What a -- what a great group of people here this morning. And I just want to tell you how appreciative I am of everybody being here and supporting the NPC and supporting and bringing our knowledge to the table to help our country to be its very best. And so I just want to tell you how appreciative I am of the folks in the room today and the folks that really care about our country and care about our industry. And let me just tell you a huge thanks to that.

And so, with that, the 135th meeting of the National Petroleum Council will come to order. And I want to again welcome you all and both the honored guests, members of the press, and the public. And we do have a particularly full agenda this morning, so we're going to need to move through this pretty

quickly. And we're also really honored to have the Department of Energy's leadership participating here this morning and really thankful for their engagement, in both through the studies as well as the direction that they're providing our country on energy.

So, first, the safety announcement for you. There are no scheduled fire alarms today. So if we do have an alarm sound, we will evacuate through these back doors at the back of the room and then up the stairs, which you probably came down, and through the lobby into the street. So do not try to go out these back doors. It's out the front. And the muster point would be at the front of the hotel on Pennsylvania Avenue.

So now just to remind everybody on the calling of the roll, there was a desk out front, outside of the Buchanan room, and please make sure that you've registered there. That is our official attendance record for these meetings, so very important that you signed in there and that we have record of your attendance today.

So, in addition to the audience that we have

in the room today, we do have an online audience that will be able to watch the livestream of these proceedings, and this audience includes both council members that were unable to attend in person today, as well as many individuals that have contributed to the study efforts that we will be voting on this morning.

And so for those folks that did work on these studies, I just want to make sure that I don't forget to tell you a huge thank you. What a great effort that's been done in a very short amount of time on these studies. And I know there was a tremendous amount of time and effort that a lot of us in my seat on this don't even see, but, trust me, it's obvious to me, having been involved in these studies, to know what kind of effort and energy goes into them. So thank you.

So I would like to introduce to you now, for the record, the participants that are joining me at the head table. First, François Poirier, chair of the NPC Committee on Infrastructure Permitting.

Next is Jim Kerr, chair of the Committee on Gas Electric Coordination.

Next to Jim is Greg Ebel, who will be chairing the NPC Committee on Future Energy Systems.

And next we have the Honorable James Danly, who's not here with us this morning.

And Toby Rice is down on your far right down there.

And Kyle Haustveit, which is the Assistant Secretary for Hydrocarbons and Geothermal Energy. Kyle, thank you for being here this morning.

And our Vice Chair, Ryan Lance.

And then, of course, next to Ryan is the Honorable Chris Wright, the Secretary of Energy. So, Mr. Secretary, we do look forward to hearing from you this morning and presenting the results of the two studies that this Council has been working on, both the permitting and the gas-electric coordination studies that you have requested.

And, as most of you know, Secretary Wright is the 17th Secretary of the U.S. Department of Energy. He was nominated by President Trump on November 16th, 2024, and then confirmed by the Senate on February 3rd of '25. He is obviously dedicated and has really put a

lot of sacrifice on the table for our country to take the role. And I know those of us in the industry really appreciate him making the sacrifice that he's been doing, but as well the kind of energy and leadership that he's bringing to the table.

So, as Secretary, he has been focused on unleashing American energy, accelerating innovation, promoting affordable, reliable, and secure energy sources for the nation. And his career spanning oil and gas, solar, nuclear, geothermal, and really his focus on bringing new technologies, underscore his commitment to a comprehensive energy strategy. And we're very thankful to have him in the role.

So I certainly want to -- you know, you don't get a chance very often from this industry, Secretary Wright, to hear this, but I know this organization appreciates the sacrifice, and I'd appreciate a round of applause for his efforts.

(Applause.)

MR. ARMSTRONG: So we're very honored to have you here this morning, and I'll turn the podium over to you for some remarks.

SEC. WRIGHT: Thanks, Alan. Thanks everyone for being here. That's really the biggest part of my message. I look around this room at just tremendous leaders from across the space of energy, and you've all come here. I know how much you're getting paid, and thank you for doing that.

What I see in this room is service. I see people who care about the energy system, which means you care about Americans, you care about the world. So thank you for that. To my colleagues in the front and everyone in the room, thank you.

And as probably most of you have heard many times from me, just, energy matters. It just matters massively. I always say to people, I can say without a doubt, it's the most important industry in the world by far because every other industry wouldn't be remotely close to what it is today without energy. Affordable, reliable, secure energy literally makes the world go round, allows us to live long, healthy, opportunity-rich lives.

So I've been frustrated most of my career to see politics and just not looking at math and numbers

seep into energy at just tremendous destruction to the human quality-of-life. And so I didn't lobby for or plan to have the job or role I have today. I'm incredibly honored to do it. I'm thrilled to be here. But it wasn't in the plans. It just -- it just happened. I could say a lot of things in my life. You know, I didn't have a great master plan. Things -- things just happened.

But what we're here for today is to try to address some of the concerns and challenges. You know, Americans, we had a shale revolution that exploded American oil and gas production, drove down the price of oil globally, not just in the United States, plummeted the price of natural gas in the United States, which also had cascading effects around the world, and lowered the price of natural gas. It wasn't celebrated all that much, but I think just over a trillion dollars of benefit to the world every year, from that, new supply means lower prices.

And then the last few years, we've seen a lot of push in the opposite direction. You know, in the last five years, we've seen almost a 30 percent rise on

average of electricity. Like, how did that happen? Why did that happen? The input fuels for our biggest sources of electricity have gone down, but the price of electricity has gone up, not uniformly across the country.

You know, when you look at it more carefully, the states with the fastest rise in the price of electricity -- think California, New York, Massachusetts, Connecticut, Maryland -- you know, it wasn't bad luck, right? Those states have seen huge rise in electricity prices, and they've also seen the reason for those rises in electricity prices is they produced less electricity in 2024 than they did in 2019; decline in demand or decline in production. But if you make something expensive and less reliable, guess what? People will buy less of it.

And then we've seen states on the other extreme. North Dakota has seen by far the fastest growth in the production of electricity, 35 percent more electricity produced in 2024 than in 2019. And guess what happened to price when you produce more? The price of electricity in nominal terms -- not in

inflation -- in nominal terms went down.

So if you look at electricity, places where you produced more -- Texas and Nebraska are in there – they produce 15, 17 percent more electricity, price rose in nominal terms, but in real terms, it went down. If you had declining production, your prices went up. You know, this -- this is -- an energy system is supposed to deliver more, more energy, more affordability means more opportunity.

And usually when I talk about energy, I always downplay electricity because I think people talk about electricity too much and they think it's the global energy system. It's just one slice of the global energy system. The most important piece of the global energy system is what supplies manufacturing, right? Because we can't have an electricity grid or an internet or an airplane or a car, a beautiful building, without energy to produce materials.

And the most important piece of that energy is process heat. This never gets discussed. That's when I make that comment like, if you wrap the entire planet in a solar panel, which, of course, is ridiculously

impractical, you capture a lot of energy from the sun, but you would deliver electrical energy. You know, that's a slice of the global energy system, but you couldn't even maintain or produce those solar panels without huge amounts of process heat.

So I always think we've got to think about the broader energy portfolio. I think by making it hard to do big, big things in our country, we pushed offshore too much manufacturing. Globally, a little more than 40 percent of total energy consumption is manufacturing; is to make things. In the United states, that's only 25 percent.

So we still manufacture a lot of stuff here, but our slice of energy consumption has actually skewed away from manufacturing compared to the world. But the last 20 years, we've just pushed energy-intensive manufacturing mostly to Asia. Europe has done it, of course, even to a worse extent. And in Europe and in the U.S. a little bit, it's often been done in the name of climate change. Like, how nutty is that? You know, the United Kingdom and Germany, industrial powerhouses of the world, made electricity and their energy systems

so expensive you couldn't afford to make anything in the birthplace of the Industrial Revolution, right? So instead of being built in a modern factory in the UK, it's built in a coal-fired -- and if it's solar panels, with slave labor in Xinjiang and then loaded on a diesel-powered ship and shipped back and somehow called green or climate-friendly. Like, that's -- that's mind-boggling.

So our goal, I think, for this team and our administration is just to -- to go back to basics. Like, what is energy about? I say when we think of energy, we think of two things. Humans, right? The only reason we all produce energy and we care about humans is to make people's lives better, to expand the opportunities.

You know, and cleaning the environment is a huge part of that, you know? If you look at the rich world, the United States, where I've grown up, my entire life the air quality has improved, the water quality has improved, the return -- I'm an outdoor mountain adventurer, climber, mountain biker, explorer. When I was a kid, I never saw moose, I never saw bear.

I never saw a mountain lion in my life until about 20 years ago. Now I'm worried about running into bear and moose and mountain lions, and that's a good problem to have, and that's an advantage of a well-energized, healthy society.

We can -- we can have these wonderful luxuries, but all of these depend upon our government and our industries, you know, doing rational things that are going to better people's lives. So I say energy is about humans and about math. You know, the math must work, you know, but -- so let's -- and that's with this study. And I'm going to shut up here in a bit because I want to hear about this study and work.

But why I opened with electricity prices is in manufacturing -- four materials, and this great energy scholar, Vaclav Smil, called them the four pillars of the modern world: steel, cement, plastics, and fertilizer. Twenty percent of global energy, about the same amount as a percent of global energy that's delivered via electricity wires, the entire global electric grid delivers roughly the same amount of energy as the world uses just to produce cement, steel,

plastics, and fertilizer. Right? To make -- and those are the -- we use over 40 percent to produce all materials, but 20 percent of global energy is used to produce four things.

And so where those materials are made, you know, is where a lot of energy is consumed. There's a fifth, I think, very energy-intensive manufacturing industry that's rapidly emerging, and we don't want to make the same mistake of offshoring this industry. Because when you offshore an industry, you offshore the jobs and economic opportunity. You also offshore the environmental impacts of making whatever those materials are. We don't want to offshore those things anymore.

When you do, what do you offshore? You offshore blue collar jobs, you offshore opportunity for rural people or people that grew up in different circumstances than we all did. We shouldn't do that. President Trump got elected to bring back jobs and opportunity for people that weren't born so fortunate, weren't so lucky, as I would say, honestly, is representative of the people in this room.

So that new emerging industry you may have heard about since it's talked about endlessly, artificial intelligence, right? This is this awesome thing. We're going to, now, it takes one particular form of energy, electricity -- to -- is the input to make intelligence. We can take energy and get out of it. Insight. Intelligence. Think of it as leveraging the power of the human mind, the human skill set, the human capabilities. I think its impact on our world is going to be transformative.

Yes, negative and scary things will happen if you create a powerful new tool. There will be bad things that will be done about it, and we're going to learn about those as we go. But I think the upsides are going to be massively larger than the downsides.

So the -- and I'm going somewhere, so hang in there. Right now you see hundreds of billions of dollars of investment -- capital investment -- to build intelligence factories or data centers in the United States, and the hyperscalers that are building them are building them for commercial reasons. It's fantastic that private industry and private capital is the

dominant driver here. You know, they deliver business services, consumer services, efficiency. You know, they have a great commercial model to do it. But those same tools, done differently, you need different AI models, different data sets, different learning to apply them to scientific discovery.

Imagine if we can figure out how proteins fold -- the Nobel Prize last year for that, AlphaFold – using essentially artificial intelligence to understand material behavior down to the molecular scale. This will be transformative for human health. Imagine if you can use artificial intelligence to control, in real time, an active plasma in a tokamak reactor. Right? Fusion energy, we're trying to replicate the center of the sun on Earth. Turns out that's difficult, but we've made progress.

But I think with this extra tool -- and I'd love to go into it, but I won't -- but with this extra tool, we're going to cross a threshold where we actually can control that burning plasma. This is going to bring a tremendous additional new energy source. Our electricity grid is a very complicated

network and, boy, the closer you look at it, you're like, really? We don't have a thing that does this, or, you know, that line rating stays the same, you know, because it's going to overheat? It's spec'd for, like, the hottest temperature it could possibly get to with no wind. What percent of the time do you think we're at maximum temperature and no wind? Turns out it's not year-round, but those lines can't carry different amounts of electricity because we don't have that data and we don't have that decision. So there's so much upside in so many things we do if we can apply more science to it.

So we launched -- President Trump signed last Monday an executive order launching what we call the Genesis Mission. And what it is, is to take -- is led by the Department of Energy, led by our government. It will be our biggest scientific project of this Administration. And it's to leverage the power of AI to drive scientific discovery, to drive innovation, and to drive innovation in our national defense systems. Right? Our adversaries are growing their capabilities, growing their offensive and defensive capabilities. We

need to do the same. We need to do that enhanced by artificial intelligence.

So in our model at the Department of Energy, because the 17 national labs, as you probably all know, are part of the Department of Energy. Our model is we've gone to commercial players and said, hey, you're having trouble getting a data center permitted, you're having trouble finding energy, let us help, let us help. We've got lots of land. We'll permit your data center on our land. We'll work with you to get you energy today and to build some energy infrastructure so you can grow the size of that data center and grow the available energy going forward.

And, boy, 500 hands went in the air -- went in the air immediately. We have two large projects underway now that are going to build huge compute with commercial money, and then the national labs are going to get a slice of that computing power to advance scientific discovery in our country, to speed up the pace of innovation, to speed up our capabilities in national defense, to speed up our capabilities in energy discovery and energy management. So, super

excited about that.

But what does all of this depend on? This depends on us getting out of this slump we've been of 25 years of not growing our electricity production very much. Maybe 1 percent a year. Does that sound American, 1 percent a year growth in energy and electricity? And it's electricity that's going to drive artificial intelligence.

So that's the study we're going to hear about today, is to say, how do we fix that problem? How do we build the infrastructure to move energy around, to move electricity around, to move natural gas, to move oil around so that we can have a fully energized country that can both drive down prices. Americans are frustrated with this rise in electricity prices. I mentioned, they went up a lot. They shouldn't have gone up. Like, by far our biggest source of electricity is natural gas. Like, what's the price of natural gas done over the last 20 years? It's dropped like a stone.

The next biggest source of electricity is nuclear. What's the price of uranium done? It's gone

down. What's the price of coal done? You know, it's gone down. So we should not have any -- and, again, we have an increase in electricity prices because of politician, political decisions, policy decisions. It was a choice; not an unfortunate or a scarcity thing. It was political choices drove the price of electricity up. We want to make political choices and political policies and implementations to build that infrastructure, to grow opportunity.

Shouldn't Massachusetts be able to build data centers? But to do it, it needs to make it so that its electricity system, when it gets cold out, is not burning mostly fuel oil. Right? Just a little bit more infrastructure to deliver a more economically efficient system to produce electricity.

We can do that, but we need to learn from the study we're going to hear about, about how we produce, how we build infrastructure that enables us to deliver more plentiful, more affordable, more secure energy sources across our country.

I'll end before the Q&A, maybe the important part of this thing, with some comments about the U.S.

energy system, right? Until the -- until the late 1800s, so in 100-plus years of American history, what was the biggest source of energy in the United States? Wood. Globally, wood was the biggest source of energy on the planet, like, throughout all of human history until about 1900. Right? In the U.S., it was a little earlier than 1900 where coal passed wood. We had coal as the largest source of industry for several decades, probably through World War II, and then coal got passed by oil.

And then oil has been the largest source of energy in the United States and globally for many decades. And in the world, I think it will be for many decades more. But in the United States, oil is going to be passed by natural gas as the biggest source of primary energy in the United States. And together today, oil and natural gas are about 72 percent of total U.S. primary energy, the highest percentage ever.

Five years ago, I was telling people there's 69 percent of U.S. energy, the highest ever, but yet the whole country and nobody wants to go study petroleum engineering because they're -- they're going

away, they're going out of business. I'm like, they're record high in quantity and in market share, and both are growing. So maybe they're not going away.

Now, when I talk to our European counterparts, I've got to give them a nod. You know, in Germany, oil and natural gas are about 74 percent of energy; the United Kingdom, 75 percent of energy from oil and natural gas. And I think Italy's at the top of the heap at 76 percent of their energy from oil and natural gas. They don't tout those facts very much, but that's -- those are the numbers. And for them, there's a little bit of unfairness because their -- their energy policies, I would say, have been so poor in that they've driven up the cost that their total energy consumption has declined and they've offshored so much. So their energy pie has actually shrunk.

But, again, I'm just being realistic, you know, that that -- that the National Petroleum Council matters. Oil and natural gas are what power the world, together with coal, if we talk about the whole planet. And I love coal. It's the largest source of global electricity since the data started around 1900. It's

125 years at the top of the heap, and for decades more, it will be at the global top of the heap for electricity production.

But in rich countries that have built infrastructure, natural gas has displaced coal as the biggest source of electricity. So oil and natural gas, the petroleum industry matters massively, and to build smart infrastructure and have smart policies and deliver these products as efficiently as we can just impacts the economic opportunities for Americans.

So God bless your commitment to that mission and your effort to inform us and to bring that data. I want to get to hearing about this study and asking questions about that, but I think we've got about 20 minutes where I'm happy to take questions from absolutely anyone on anything. Don't worry about being polite.

I think we got here -- we got in some of these ruts by not having open, honest, candid dialogue about the trade-offs between, you know, climate change, for example, or other environmental issues in oil and gas, and infrastructure and all that. We -- you know, we

had sort of a hushed silence or a polarization or whatever.

My goal -- the Trump administration goal -- is to be open, transparent, and discuss all of these trade-offs, discuss these things so we can have a more rational view. We don't want to deindustrialize the United States. We don't want AI, like the other energy-intensive industries, to go overseas and over shores. We don't want to keep exporting job opportunities for Americans. We actually want to grow opportunity and prosperity right here.

And the idea of energy dominance, I get asked that a lot. What do you mean by dominance? Like in Europe, they're like, you want to dominate us? Like, no. That's -- and that's how they take it. A lot of people do. And I'm like, no, that's not what it means. The idea was the aspiration through my life had always been energy independence. We want -- that was the political rallying cry, right? We want America to produce as much energy as we consume. We last did that in the early 1950s. We crossed producing more energy than we consumed seven or eight years ago, and have

continued to grow, increasing net exports of energy out of our country.

But the idea of the term "energy dominance" is to produce so much energy in our country, number one, that that increasing supply pushes prices down. That helps Americans, particularly low -- lower income Americans, live a better quality of life. It favors manufacturing reshoring in our country. But if we can have so much abundant energy that we can drive down costs and bring industry, I think the biggest change we're going to see is increased energy consumption in the United States. With our natural gas abundance, we have a cost and infrastructure advantage. Not just data centers, but manufacturing of all kinds that's energy-intensive.

America is so advantaged energy-wise, let's bring those jobs and skills and opportunities here. We're going to see a huge consumption. I think we'll see a bigger increase in natural gas consumption in the United States that probably at least matches the incredibly rapid increase in our exports of natural gas. I'm in favor of both of them.

So the other part of energy dominance is we have so many allies and friends abroad that count on foes for their energy supply. So the President's idea of this term dominance was to have so much energy that we can be the secure, reliable supplier of energy to our partners around the world, as well; use America's assets to make prosperity at home and for peace abroad. That's the bigger picture agenda of this Administration.

But I'll stop there and turn it over. I don't know if Alan moderates or whatever, but questions from anyone on the Council.

MR. ARMSTRONG: Right here, Tricia.

MS. PRIDEMORE: Thank you, Mr. Secretary. Tricia Pridemore from Georgia. I'm so proud that you're there.

My question is about LNG. What is the Administration's focus on LNG? As we know, it is a great way for us to be able to provide gas from a storage perspective, but also from an export perspective to our allies.

SEC. WRIGHT: Yes. As you know, and this

could be a longer story, the previous Administration paused the permitting of LNG export terminals, and, again, this was another one of these just shameless misuse of politics. They actually did a study that showed the economic impact of grossing exports was that they came up with a 30 percent price rise by the year 2050. So that's less than 1 percent a year. So, in other words, price rise below the rate of inflation for natural gas, and greenhouse gas emissions, that, in general, slightly went down.

They didn't like that study. They buried it, and they did a different one that didn't show any different economic conclusion. But if you only consider, like, a smaller slice of the potential future energy scenarios, you could show a minuscule increase in global greenhouse gas emissions, I think unrealistic, and, therefore, they paused the permitting of LNG export terminals.

That's exactly what we're not going to do. Like, we want to follow the math and data where it leaves, but it turns out natural gas exports are the fastest growing export of our country. In 5 or 10

years, I think they will be the largest export of the United States of America. So that's awesome, not just for us, but it's awesome for the world. Right? Who was the biggest exporter of natural gas if you go back 20 years ago? Russia. Do you want a world where Russia is the biggest supplier of natural gas to countries around the world, or the United States?

I think the U.S. is a good candidate for that -- is a much better candidate in that role. So a question I often get asked -- and, in fact, from a great senator from Maine when I first met with him, he said, well, the problem is the more gas we export -- it sounds like economics, right? The more gas we export, it's going to drive up prices. So it may help those gas producers, but it's going to hurt Americans.

And I said, I don't think that's the case. If you look at when the United States first started to export natural gas and when we were 20 years ago, the largest net importer of natural gas in the world, natural gas prices were far higher then than they are today, even in nominal terms, let alone inflation.

So the more gas we have produced, the more

we've pushed down the price of natural gas. And when we were the world's largest importer of natural gas in the world, we had about an eight-year period where we were running over a thousand drilling rigs targeting natural gas, and we were the largest importer in the world. Today, we're running about 125. So think about that. We went from over a thousand rigs to 125, and we're the largest exporter in the world.

So if we double our LNG exports, we need to add about 15 or 20 more drilling rigs. Can we do that? I think so. I think so. So I think growing our gas production is great for the economy of our country. It's great for the world. Larger supply, more ties between the United States and elsewhere.

And, look, I would say we celebrate gas production elsewhere, as well. It's not like it all has to come from America. The Eastern Med discoveries, you know, operated by Chevron right now, phenomenal. Right? Israel went from dominated by coal in the electricity sector, which, again, I'm fine with. Now they've got natural gas. They changed their power sector there, and they're a huge exporter to Egypt and

Jordan.

You know, when I talk to the energy ministers from Egypt and Jordan, what do they think about Israel? "Awesome, they're our energy supplier. We want more, we want to industrialize, we want to grow." Syria and Lebanon, what do they want? "Maybe we can get some gas from Israel, too." Like, that's music to our ears. You know, when you build these energy systems that connect countries together, I think it's not just economic opportunity; it becomes a force for peace. So we want those connections.

I think continued export of pipeline gas into Mexico, it's even a project we're talking about maybe that goes down through Central America. If you can bring low cost gas, you can bring greater economic opportunities to parts of the world that don't have them today.

I'll tell you the dialogues I had in Europe, incredible dialogues. I think most of the European nations -- and some will say it publicly, almost all will say it privately -- ehh, maybe we didn't go the best direction on energy and we need to lower the cost

of energy in our countries. U.S. LNG, even though when you deliver it by LNG tanker, it's much more expensive than it is on a pipeline, it still can be a massive force to reduce electricity prices in Europe.

Hawaii is going to convert from diesel -- that's what islands get their power and energy from -- to LNG. Lower cost, cleaner air. So I think the future of natural gas is quite bright. And if you look at it over the last 50 -- you know, 50 years ago, the world got 85 percent of its energy from oil, gas, and coal. 50 years ago to last year, 85 percent. The difference is the relative contributions. Oil has grown a little over 1 percent a year compound annual growth rate, coal about 2 percent, natural gas about 3 percent.

So natural gas is -- it's about infrastructure. You know, the fuel, the cost of natural gas today and, like, a gallon of gas, it's like 50 cents for a gallon of gasoline. And if you're located, you know, in the Permian basin or near a hub or whatever, it might be 20 cents a gallon of gasoline. So low cost, abundant energy source, I think great for

America, great for Georgia. But I think exports is a growing -- going to be a growing industry for us.

I promise I'll give a shorter answer to the next question. She had such a good one.

MR. ARMSTRONG: We've got one right here in the front here.

MR. PEREZ: Jose Perez with Hispanics in Energy. Thank you very much, Mr. Secretary. Really, we support everything you guys are doing. You know, the strategies are outstanding. We look at it as an opportunity for not only the economic opportunities you mentioned, but the affordability issue is a very critical part of this.

Our challenge seems to be on educating our leaders in our community here in the United States, and part of the challenge is, you know -- well, to be honest with you, this side's done a lot more work in getting their messages to them than this message we're listening to today. So how can we overcome that? Do you have any thoughts about that?

SEC. WRIGHT: Nice to see you again, Jose.

MR. PEREZ: Yeah.

SEC. WRIGHT: Yeah. And I do think it's incredibly important that all the people in this room who are quite knowledgeable about energy, you have -- you know, the average person in Washington, D.C., I can tell you, knows very little about energy. And it's not because they're dumb or uncurious, right? There's no energy produced or not a lot produced nearby here. They're politicians, they're doing other things.

So where do people get their knowledge about energy? Either from the press or the media, and they have not done a good job because scaring people about dramatic end of the world is much more newsworthy than sort of the nerdy facts I'm talking about. So people are going to learn and get their views of energy from talking to you and your friends and your people. It's very important that we not shy away from that, that we be open and honest and engaged.

And I can tell you my new role, in a political role, right, you'd think that would be maybe even more charged communication. I have had tremendous dialogues with Democratic governors, Democratic senators, Democratic House members, you know, I think just an

open and honest engagement and an amazing change of opinions and views.

People want to lower costs. They want to have AI. They want to have -- a lot of governors, a lot of senators, I think weren't really connecting the dots of why their state or their region has more expensive energy, thinking it's bad luck or they've been told something else. "If we build more of these, energy prices will come down."

But I have seen incredible willingness of having those dialogues, mostly in private, but I think the pendulum is moving. People being realistic and open and honest about energy and understanding the real connections between energy and climate change and what's a greater threat or a bigger impact on people. I think we're in a new world and I think we've passed peak crazy, and I think we're swinging in a positive direction.

But to continue in that direction, we need to honestly and openly and politely engage in dialogue with everyone. But I've been -- my heart has been warmed in the last year that we really can move this

needle. We really can get the focus back on humans.

Thank you for your work, Jose.

MR. ARMSTRONG: Right back here.

MR. WARMANN: Thank you, Secretary. Jeff Warmann from Monroe Energy. We're a refiner on the East Coast. I have a question on your opinion or your -- DOE's position on the obligations for the RFS. EPA, as well as OMB, have followed Agriculture and are trying to set these aspirational volumes required to blend into the fuel system, which is causing these RINs to go up in price, which is causing the price of gasoline to rise, which is exactly opposite of what you've just been saying.

What is DOE's position and is there any actions that you're taking to help dissuade the other administrations from -- the rest of the administration from setting these volumes so high?

SEC. WRIGHT: So, great question. And, of course, you're right, it's sort of balancing these. This is politics, the interests of ag and refiners and, frankly, gasoline and diesel buyers in this country. So there is a very active dialogue about that, and we

have had a series of meetings. We brought in everyone from the ag interests, from the large refiners – our next meeting is going to be with small refiners. And we're trying to find a pragmatic solution, also, so it's not a battle every year, just a pragmatic solution that'll fix or mitigate some of the problems you're talking about.

Yeah, look, my own views are low cost, affordable, secure energy is what matters the most. But politics is politics, and we are where we are today. So we're trying to find out what is the best path forward from where we are today. So there's sort of a non-answer answer.

The answer is we are working on it. We are talking about it. We are aware of the challenges with that issue. I think we're going to come out with something that's better going forward. Not perfect, but I think we'll come up with something that's better than where we are today. But thanks for asking the question, and please keep injecting your voice into that dialogue. It is important.

That's the other thing I would say. You need

to talk to your neighbors and friends and communicate about energy and engaging with politicians. I did not do that a lot. Like, I'm an entrepreneur, I'm out in the west, you know, I did not engage a lot. But as I meet people in politics -- and myself, like, if I want to learn about some different industry, how do you learn about it, right? You talk to people that are in that industry, that are leaders and have been successful in that industry.

So your voice to bring that message, that's how politicians and people in the bureaucracy and regulators are going to learn about it. So, yes, please lean in and share your knowledge and wisdom.

MR. ARMSTRONG: Okay. Time for one more question. Right back here.

MR. STEDMAN: Thank you. Bert Stedman from the Energy Council. You've spoken a little bit about the potential exports. I was wondering if you could kind of give us your view on the potential export facility out of Alaska, the very large LNG pipeline and export facility, possibly.

SEC. WRIGHT: You bet. So this is an idea

that's been around for a long time. It has some logistical challenges, but I would say the Administration is committed, and I'm reasonably confident we will be successful in building a natural gas pipeline and export terminal out of Alaska.

And it's for multiple reasons. You know, the location of it is close to our East Asian allies who are huge importers and growing importers of natural gas. So to have a shorter shipping route, particularly in the worst of times, to have a short direct shipping route is a positive. It's very important for the State of Alaska.

Here's another thing of maybe what the Council is going to talk about, of infrastructure. Think about that. Alaska has declining population growth right now. People are leaving Alaska. Why? Because energy is too expensive. Can't afford to live there, can't afford to bring jobs there, because where the energy is produced is not where people live, and that lack of infrastructure is there.

So we're looking at creative ways. And I think the rate of growth in global demand for natural

gas right now is pretty tremendous. It's basically been the growth in demand has matched the growth in the infrastructure to deliver it. So I think we will get that project built. I think it'll be fantastic for Alaska. I think it'll be great for our allies in East Asia, and we'll have an additional United States export terminal, but in the North -- in the North Pacific. So excited -- excited about that.

The last thing I'll say about the importance of a shortage of LNG export capacity, everyone talked about the price rises of energy because of the Russia invasion of Ukraine, and of course that did drive up energy prices, mostly because of perceptions. But the reality, or another piece of that reality was global LNG -- ship-delivered natural gas prices spiked in August of 2021, you know, six, seven months before Russia invaded Ukraine. But when that spike happened, they went from, you know, $10 or $15 an M shipborne to $60, $80 an M. Pakistan shut down their schools because their buses run on natural gas.

And that spike in the price of natural gas -- China and India, huge agricultural nations, huge

industrial nations, banned the export of fertilizer. Most people don't know, but, like, to me, one of the greatest uses of natural gas is the Haber-Bosch process to produce nitrogen fertilizer. Like, you get rid of that one use of natural gas, world food production is going to drop 50 percent within a year. And so, that spike in prices made fertilizer spike, actually hurt food prices around the world, but it's also when that spike in shipborne delivery of natural gas happened, that's when Russia started to move troops on Ukraine.

I think they saw that as they've wanted -- they've wanted to do what they've done for years, and that shortage of infrastructure that led to a spike in gas prices, I believe told Russia, "now is a great time, now is our maximum leverage." I do not believe Russia thought they would get the huge pushback from Europe that they got.

God bless the nations of Europe that they did stand up and push back. But I think his calculation was "they're so dependent on us for natural gas, prices are so high, we're never going to have greater leverage than we do right now." But that spike happened because

the inherent demand growth for natural gas was faster than we built infrastructure.

So, do I think a natural gas export terminal in Alaska is going to, like, crater the price of LNG? No, no. A billion people live lives like us. My friend, Arjun Murti, I use this term forever, "the lucky 1 billion. Seven billion want to live lives like us." Like, the future for demand growth of energy is as long as the eye can see. So I am all for infrastructure that can move and deliver natural gas, and I think the Alaskan pipeline and LNG export terminal have a great place for Alaska, for the United States, and for the world energy system.

MR. ARMSTRONG: Okay. Well, thank you very much, Mr. Secretary.

(Applause.)

SEC. WRIGHT: Thank you all again. Thank you for being here. Thank you for helping me and helping this Administration.

MR. ARMSTRONG: Okay. The next order of business that we have this morning is to consider the final report, or the proposed final report, on the NPC

Committee on Oil and Natural Gas Infrastructure Permitting, and the team and leadership is going to discuss their findings and recommendations on that, and then we'll call for a vote on this final report.

So I'd like to call François Poirier, who has been the Chair of the NPC Permitting Committee, to present an overview of the report. François?

MR. POIRIER: Thank you, Alan. And I would especially like to thank the Secretary for his insightful remarks. We greatly appreciate your leadership, Mr. Secretary, and your commitment to American energy, and thank you for the opportunity to undertake this study.

Delivering affordable energy and responding to the incredible economic and technological opportunities before us will take innovative thinking, determination, and active collaboration between government and the private sector. These are the principles that Secretary Wright has demonstrated during his service in office, and his trust in us to provide recommendations to improve the permitting process for energy is very much appreciated.

Secretary Wright requested we undertake a relatively simple but critically important task: To provide meaningful solutions to permitting that is hindering the ability to build new infrastructure across all segments of the energy industry.

The Secretary's request comes at a pivotal time for the United States. Energy demand is growing at a historical clip. The nation is in a global competition for technological dominance, and the need to ensure that energy is affordable and reliable for all Americans is as important as ever.

So I'd like to take a moment to express my gratitude to the incredibly talented and committed group of individuals that comprise our Study Committee and Coordinating Subcommittee. Those of you who participated directly in an NPC study understand the time and dedication it takes to develop a meaningful report for the Secretary, and this group really stepped up to the challenge, preparing a thoughtful, actionable report in a short amount of time. We purposefully assembled a cross-section of NPC members that we felt would best represent our diverse membership, and they

truly delivered. Thank you, colleagues, for your work on this important effort.

So in this letter to the NPC, Secretary Wright mentioned the dynamic delivery report we issued in 2019 and suggested we reevaluate and update that work in light of the energy challenges we are facing today. When we reviewed the 2019 report at the beginning of our current effort, we were struck by how different the energy landscape is today.

In 2019, Russia had not yet invaded Ukraine, which caused a surge in natural gas exports from the U.S. to the European Union. COVID-19 was declared a global pandemic in March of 2020, exposing deep vulnerability in global supply chains and a concerted effort to onshore manufacturing and industrial activities. And, of course, artificial intelligence was not as mainstream as it is today. Open AI's debut of ChatGPT took the world by storm and soon brought to light the critical role energy infrastructure plays in advancing AI development.

So Chapter 1 of our report reflects these and other dynamics and describes their relevance to energy

systems and energy permitting. We also reviewed the 2019 findings and recommendations articulated in Chapter 2 of the report that only 5 of the 25 NPC recommendations had been addressed and completed, meaning there's clearly more work for policymakers to do. Chapter 3 describes in detail the challenges associated with today's permitting system, and Chapter 4 offers our recommended improvements to the permitting system.

Now I'm going to ask Alex Oehler to walk through each of the recommendations in greater detail, but before doing so, I wanted to offer my thoughts on the objective of this chapter.

First, the challenges and complexities with today's permitting system are something many of us have lived with for some time. But permitting reform is a live debate in Congress right now. There is growing recognition in Congress that permitting challenges cut across all types of energy infrastructure, and that delivering affordable energy, regardless of fuel source, is directly linked to the government's ability to efficiently permit new projects and a developer's

ability to build more quickly.

We felt it was important that our recommendations help inform the debate, not take a position on any specific legislation, but provide perspective on some of the issues under consideration right now.

Second, we wanted to offer recommendations that this Administration could undertake without changes to existing laws. This is a bit of a challenge for us because the Administration is moving so quickly on many fronts, but I believe we've included some important recommendations for it to consider.

Third, we wanted to challenge ourselves and policymakers to try and think differently about infrastructure permitting. Today's permitting system was designed decades ago. The laws we have on the books, they're critically important, and they've injected environmental values in how we design, build, and operate energy systems. But, over time, the implementation of these laws has become less efficient and more litigious. So we challenged ourselves to think of ways Congress could create a new permitting

framework that would combine significantly faster reviews with robust environmental protection.

So Part 2 of our recommendations chapter details this idea. The recommendations of this chapter accomplish the objectives that we've set out to meet. And we are being asked today to approve this report with the amendments and the editorial changes that Alex Oehler will discuss in response to the Secretary's request for NPC's advice.

Over to you, Alex.

MR. OEHLER: Thank you, François.

Good morning, everybody. I'm going to walk through, as François talked about, the recommendations. I'll reflect a little bit on some of the changes, some of the feedback that we heard from members, and changes that we made.

I wanted to first just sort of ground everybody in the approach that the CSC took, the Coordinating Subcommittee, and you heard François describe some of this. At the outset, we really wanted to kind of ground ourselves. The assignment from the Secretary is look at this 2019 study and find ways,

what improvements can we make today; what's different about today than 2019?

And so the first thing we did -- and it was really quite remarkable when you looked at the 2019 study, as François had said, how the world has just changed dramatically. So François talked about some of the things, but we've got this incredibly different macro environment, demand growth, geopolitical challenges, these incredible opportunities with AI development, but the permitting system has remained relatively static. So incredible changes happening all around us, but the same permitting system. So there was a disconnect there.

The second thing that we wanted to do is we talked about, as a group, kind of grounding ourselves also in what it is that we're trying to do as an industry. You know, what do these infrastructure projects represent? And the word that kept coming back to us as a group was solutions.

So there's various challenges that we have to meet from an energy standpoint as a country. We want to make sure energy is affordable, reliable, that we

enhance our export capability to meet needs overseas, and that infrastructure really are the solutions to all of those challenges.

And then, of course, as François talked about, we wanted to keep in mind our charge from the committee, these big three objectives, helping inform today's debate in Congress and within the Administration, not necessarily confining ourselves to what they're talking about, but to the extent there's alignment between what the Committee felt was important and what's being talked about right now, we wanted to have our voice be part of that.

The second thing, of course, is we wanted to -- and I will just echo what François said. The challenge, sir, with keeping pace with the Administration, there's been so much rapid activity, creative thought, and action from this Administration. So a big challenge for us was looking for ways to help the Administration identify new areas for opportunity. But I think that there's some recommendations in the report you're being asked to approve today that do that.

And then the third thing, of course, importantly, is inspire new thinking. You know, we were -- a big challenge for us from François, from Alan, from other members of the NPC, was we want you guys to think boldly, and don't confine yourself to the current framework. Don't think inside the box all the time. Many of our reforms are targeted changes and improvements to sort of that permitting framework that we all operate under today. But let's take some time to think about what the next chapter of permitting looks like in the country.

So I'm going to walk through our recommendations. There are 10 of them, as you've seen in the draft report. In the essence of time, I'm going to try to move quickly through these, so I'm not going to dwell on a lot of them.

The first three, though, were kind of what I would call sort of foundational issues that kept coming up again and again and again, both at the committee level and at the CSC level. So the first is NEPA, and there was broad recognition within the Committee that NEPA is an incredibly important law in the country.

It's an important procedural tool that the agencies use to inform themselves about the potential impact of actions that they take. But the implementation of NEPA has grown more and more complicated, more and more detailed, oftentimes meticulous detail in these NEPA reports. And we focused a lot of attention in our thinking about this, about the Supreme Court's Seven County Infrastructure Coalition ruling, and we sort of thought about that as peak NEPA, if you will, NEPA at its zenith.

And so the report in this case was tethered to an 88-mile rail system that was being proposed. And the EIS – the environmental impact statement -- that the STB – Surface Transportation Board -- developed, was 3,600 pages long and took almost two years to develop from the start of the process to the publication date.

So it's a clear example of this growing complexity. And the thinking within the Committee and the CSC, a major component of the Supreme Court's ruling is there's a lack of clarity on the scope and bounds of NEPA itself. So the agencies need to inform

themselves, but, you know, is there -- is there a defined set of information that they need to put into a report?

So we thought it would be important for us to recommend -- and this is in Recommendation 1, that Congress should amend NEPA to ensure that agency reviews are focused on direct project impacts within an agency's statutory authority.

Recommendation 2, again, one of these core foundational recommendations that came up time and time again, is judicial reform. And like NEPA, there was recognition across the CSC that this is an incredibly important process. It's an opportunity for people to question and to seek judicial remedy for government decisions. It's something that we want to hold onto. But with NEPA, it's become a very complicated process, and really kind of a common or essential element of permitting -- almost a separate requirement altogether is to be prepared for litigation.

So one of the things -- one of the conclusions that we made was, as you know, the government often when -- when a NEPA -- for example, when a NEPA report

is challenged in court, the government often prevails, but it's really the perceived threat of litigation that's had this profound effect on agency behavior. So it is -- it's very common for agencies to armor their decision with every last detail in preparation for potential litigation. So this has led to lengthier decisions, delayed decisions, and the Committee wanted to -- the Committee wanted to ensure that Congress take action to address this.

And so there's a recommendation in Number 2 that Congress should accelerate the legal process, limit vacatur as a legal remedy, so remand would be the preferred remedy, and then also refine the standing requirements. We wanted to ensure that people with a concrete interest in a proceeding, people who've participated in the administrative process, have the opportunity to address those decisions in the courts. But there needs to be a limit on standing.

Number 3 -- excuse me if I'm a little bit behind in the slides here. Let's get this button going. There we go.

Okay. Number 3, Clean Water Act Section 401,

another foundational issue. This has had implications for many of the members that participated in our study committee and the CSC. Here, the developers have to get a state to certify that the activities that they're undertaking in that state don't -- are aligned with the state's water quality objectives.

And there have been instances -- not in every case, but there have been instances where states will bring in issues beyond just water quality into that analysis. And so the recommendation here just would clarify the statute. It's a recommendation to the Administration and to Congress to ensure that as states go through that certification process that they are focused on water quality objectives, extraneous matters don't come into the analysis, and that the law's current requirement -- that the certification decision has to happen within one year -- is strengthened and enforced.

I'm going to move relatively quickly through these two -- 4 and 5. Both of them essentially ask the Administration to use existing tools that the government has -- programmatic reviews, general

permits, the nationwide permit program -- and try to, where it's allowable under law, expand the usage of these tools, all of which are critically important to more efficient permitting. This involves general permits, categorical exclusions under NEPA, which is technically not a permit, but still an action that the government can take through regulation to set a set of infrastructure-related activities that don't have an impact on the environment, that they don't have to go through this laborious NEPA process.

And then the nationwide permit program, which is critically important to the oil and gas industry, to be able to efficiently get through a Clean Water Act review. Congress, in the current law right now, calls for a renewal of nationwide permits every five years. The request from the Committee, what you're being asked to approve today, urges Congress to change that to a 10-year review time.

Recommendations 6 and 7 are related, and they focus exclusively on the Federal Energy Regulatory Commission, and the thinking here was we need to find a way with -- as the Secretary talked about, the

importance of natural gas, natural gas infrastructure, we need to find ways to help FERC or encourage the Administration to get through the process as efficiently as they possibly can.

Recommendation 6 focuses on FERC's blanket certificate program, which is a program that was developed in 1982, designed to efficiently move a set of natural gas infrastructure activities through the review process. We are urging FERC to expand the capabilities of that program by raising the cost cap which governs which types of programs can participate, and also allowing new types of infrastructure with predictable minor impacts to the environment; minimal impacts, if any at all, to landowners to allow those projects to move forward without a cost cap.

Recommendation 7 focuses on pipeline projects that would fall outside of the blanket certificate program. So these are your more typical larger pipeline projects. Right now, FERC has to play the referee, if you will, trying to make sure that every agency that is tethered to a pipeline approval gets their authorization on time. There's been an effort in

Congress and in the Administration to make sure that a developer has some predictability as to when they are going to get the basket of authorizations that they would need from the government.

FERC currently sets an authorization schedule for agencies. You might be surprised to learn that is not always met. And so the direction here is to the Administration to ensure that FERC and its peer agencies adhere to and even beat, if we can, the authorization schedule that's established by FERC for these projects.

Recommendation 8 -- again, I'll move through this one rather quickly. But there are instances right now with agencies where their permitting procedures and their NEPA -- and their NEPA-implementing regulations, there are some common elements between the two of them. Army Corps of Engineers permitting is a great example of that. This recommendation asks the Administration to look for those instances where there is alignment, there is overlap, potential duplication between the two -- permitting and NEPA -- and take steps to eliminate those.

We'll spend a little bit more time on Recommendation 9. It concerns that slice of the energy system which is electric power. And our charge from the Secretary was to focus on oil and gas infrastructure. But members of the Committee -- and I should note that this recommendation was not in the November 12th draft that you all received. So this is a significant amendment. We think it's an important amendment. We're asking you to approve this with the broader report today.

And the thinking behind this was it is absolutely critical for the reasons that you heard the Secretary talk about that we make government work better to facilitate these solutions, oil and gas infrastructure, for the nation. But the nature of our energy system broadly is that it is highly interdependent and interconnected. And we're going to hear Ken and Jim talk about the gas-electric coordination study in just a second, which is a great example of that.

So there was a thinking within the Committee that we need to just identify and flag the importance

of, just as the Government works to take steps to make oil and gas permitting more effective, they should take steps as well to make the buildout of electric generation more effective, as well, so generation facilities themselves, transmission development, accelerated interconnections.

This particular recommendation was purposely drafted at a very high level. So these are complicated matters, as many of you who've worked on them understand. We don't get into in great detail the how, but it's just a recognition that this is an interconnected system. The oil and gas industry, many sectors themselves are large consumers of electric power. We want to make sure that that delivered cost of energy to the end user is as affordable as it could possibly be. So it is important for the government to take steps to do that. I know the Administration is working heavily on that. There's been talk in Congress to do so, as well. So just really a note from the NPC that this also -- the electric sector is critically important, but, again, a very high level recommendation that we're urging your support of today.

The very last recommendation, Recommendation 10, is different than 1 through 9, and this speaks to the charge from the Committee to think boldly and to think outside of the box. Recommendations 1 through 9 are those targeted and very meaningful improvements to the existing system, but we wanted to try to develop something new.

As François talked about, if you think about NEPA's enactment as sort of the launching point of today's system, January 1, 1970, we've been operating within this permitting system for many, many decades. And so we wanted to offer a perspective to policymakers on the potential merits of a new system.

So as we were thinking about this, we did look at that historical arc of permitting, the lessons that have been learned from 1970 to today, and we came away with a few things. The first one is -- and you heard François talk about it -- is environmental values are embedded in what we do. So when new infrastructure is being designed, it's designed in a way, it's cited in a way, it's constructed in a way, with environmental protection in mind. That's been a key lesson that has

been learned and adopted by the industry as a consequence of the environmental statutes that we comply with.

The second is a lot of the activities that we undertake, especially in the linear pipeline infrastructure space, are predictable and repeatable. So there's marginal differences around the country, but for the most part you're operating within to protect the same sort of environmental resources, so a high degree of predictability in the types of projects that we're pursuing.

The third is that even if policymakers -- and we hope they do -- adopt recommendations 1 through 9, we will see marked improvements to the existing system, but we still would suggest that it's not perfect. And we wanted to challenge policymakers to join us in an effort of continuous improvement, to continue to look for ways to squeeze efficiency out of the system.

And then the final thing, the final takeaway, that we had as we were sort of developing our thoughts around this is, we wanted to provide policymakers with some meat on the bone. We didn't want to come at them

and say, geez, you know, even with all these fixes, it's going to make a big difference, it's going to make a huge improvement for the country, we think you could do more and just stop there.

So what you will see and what you've seen in the November 12th report and the text that you're being asked to approve today, there's an important call-out box, a text box, that provides a hypothetical example for policymakers to think about a new way for linear infrastructure permitting.

And I should say that we take no position on which types of infrastructure would be approved in this manner. It would be appropriate for natural gas pipeline development across state lines, right now oil pipelines and electric transmission. There's state-federal cooperation. So we take no position on which types of energy, but it was more sort of the framework and the model that we wanted to offer to lawmakers.

So I'm going to give you five things, key components within this framework. The first is the designation of a single authorizing agency. So if you are familiar with the FERC process, it's very easy to

think about it in of terms of FERC, a single agency authorizing the siting and approval of an infrastructure proposal.

The second was -- is, or would be -- clear environmental standards developed by the Congress that an applicant would have to design by and build by and site by, and would have to provide an environmental report, a comprehensive report, to the siting agency for their consideration.

This is something that already happens today in the FERC process. And what we are asking Congress to consider is that that submission of an environmental report built on clear, predictable standards that the Congress would develop, would be the functional equivalent of NEPA. So this initial process of going through the NEPA process, where agencies are trying to inform themselves, this would effectively solve for that where the agencies are informed literally on day one of the application.

The next thing is we felt it's also very important -- and, again, if you think about the FERC process and how it works today, that there is robust

public engagement, engagement from the applicant, from the agency, to make sure that the public is aware of this, that they have the opportunity to participate and comment in the proceeding.

Using FERC as an example, you might be familiar with FERC's eLibrary, which is a public-facing website that details every decision that is made, every stage in the permitting process, and that the agency would have the ability to condition approvals. Again, this happens already with the FERC process.

So Congress sets clear environmental standards, a comprehensive environmental report is submitted that takes -- is the functional equivalent of NEPA, and then an agency would have the ability to authorize a project to move forward and say you need to make sure that you are abiding by these environmental protective measures that you've outlined in your report that are based on what Congress has said, and that the agency would be able to monitor as a project is being constructed. Again, this is something that currently happens in the FERC process already, so this is not new to the industry.

The final thing is that the single siting authority would have the ability to certify and authorize compliance with all of the other environmental statutes. And so this would effectively -- I mentioned in Recommendation 7 where FERC is tasked to ensure that all of the peer federal agencies, that everybody's got their authorization on time, and sometimes that's a challenge for developers to go from agency to agency to agency to agency. If the Congress could vest that authority in a single permitting agency, you would have much greater efficiency on the back end, be less of the herding cats that FERC has to do.

So we recognize that a new change like this -- it's innovative, it's ambitious -- would require significant work by the Congress, which is something that we wanted to do. We wanted it exactly this way. We wanted it to be bold. We wanted to challenge lawmakers and to paint a hypothetical picture for them for this next chapter of permitting. We think that Recommendation 10 is an excellent start in that regard.

And so we thank you for your attention and

your participation, and I'll turn it back over to you, François.

(Applause.)

MR. POIRIER: Are there any questions from the floor?

Yes, sir?

UNIDENTIFIED SPEAKER: If you really were able to get those clear environmental standards from the Congress, is there a recommendation or an embedded recommendation that AI could be the perfect application to tie this together from what we heard from Secretary Wright before, to check the plan or the proposal against those set requirements and even against past projects to say they are repeatable, they are the same?

MR. POIRIER: Very much so. I think it's a perfect use case for the volumes of information that have to be processed and consolidated before delivering a recommendation. So it's very much an excellent use case for this kind of -- for this situation, for sure.

SEC. WRIGHT: I'll just say thanks to everyone that worked on that report. That's exactly what we're looking for, is this broad-based input with some

practical ideas that we can bring to Congress and hopefully get bipartisan buy-in. This is -- I like the addition of electrical infrastructure, as well. Everything I heard was excellent. Thank you so much.

MR. POIRIER: Thank you, Secretary.

MR. ARMSTRONG: Thank you. Any other questions from the floor?

(No response.)

MR. ARMSTRONG: Okay. Well thank you all very much. Fantastic job. And I'll take that as a motion.

MR. POIRIER: That is a motion, Mr. Chair.

MR. ARMSTRONG: Okay, thank you. And so we have a motion and have a second here from Mark. Any -- any other questions or comment before we take a vote?

(No response.)

MR. ARMSTRONG: Okay. Hearing none -- oh, sorry, we do have a question. Yeah, Mark, go ahead.

MR. BROWNSTEIN: Yeah, it's more by way of comment than question, Mr. Chair. I won't be supporting – I won't be supporting this report, but I say that regretfully, and so I want to explain why.

I regret it because, in fact, I think there is

a lot of good work here that's been done. As someone who has participated in these studies in the past, I understand very much how much time and effort goes into it, and I'm very appreciative of everyone that worked on this. So I get that, one.

And, two, I don't think that there is anybody who has familiarity with the permitting process that is happy with how it works. And I say that as someone who in a past life worked in industry doing permitting and now see it from the other side of the table. And so I fully agree that there is a lot that needs to be done to fix what we have today. And so the impetus to look at this and take a fresh look and come up with new ideas is exactly the right thing to do.

That being said, I think there are three areas where we're falling a little short, and I sort of outline them as the three Cs. The first is in cumulative impact. I very much appreciate the Supreme Court's recent decision to look specifically narrowly at a project's individual impact, and I understand that, but I do think that there is such a thing as cumulative impact. And any good permitting process

needs to be able to take into consideration not just the nature of the individual project, but the implications of a project or set of projects in totality. It's a little bit like looking at a traffic jam car by car. You sort of miss the bigger picture if you only do it that way. And I don't see how we're accounting for that in what we're suggesting here.

The second is community engagement. And I do very much appreciate that there is, you know, language in here that talks about engaging with the community, but I think we need to maybe go a little further. Communities today have an expectation that when a project is going to be located within their borders, particularly if it is a brownfield project, that actually it is going to lead to material environmental improvement, material public health improvement, over what was there before.

And, additionally, there is a great deal of skepticism, in terms of the communities that I have worked with, that commitments made are actually followed through. And I don't think that we are providing enough consideration, right, of what it is

that communities are really looking for out of the permitting project, one and two, that we're not paying enough attention to enforcement of provisions once they are set.

And my third point is climate. I very much appreciate that the report talks about this new way of doing things and coming up with a set of environmental attributes. I actually think that there's a lot of merit to that recommendation, but here, I think the details do matter. And while I do appreciate the fact that there are many -- for many people in this room, climate is not the most important issue. It is, in fact, an issue.

And the fact that it's not mentioned anywhere here in the report, I think, is a gross oversight that will feed a certain amount of skepticism on the part of people reading this as to what -- as to what the agenda really is, right, with putting forward. And I think that that does a disservice to this body's efforts to create a -- you know, sort of a bipartisan, common way of looking at the reform process.

So thank you. Thank you, Mr. Chairman, for

indulging that.

MR. ARMSTRONG: Oh, thank you very much for your comments, and very much appreciate. That's why we have a council and we have a lot of opinions, and I very much appreciate you raising those, Mark. I thought that was well done.

And I'm not going to respond for the team on that, but I will say that one of the things we're always challenged with with these studies is having a narrow enough scope to actually get something done in a time frame that is relevant. And the Secretary challenged us in this -- in this case of making sure that timing was of the essence in getting this done, and, therefore, expanding it to take on things like greenhouse gas issues within an issue like this is something, frankly, that's somewhat of a separate topic. I don't disagree that -- that permitting, but our effort here was really for the siting of the projects and not trying to expand the scope beyond that, so I hope you respect that distinction.

Okay. Any other comments or questions?

(No response.)

MR. ARMSTRONG: Okay. Well, we will take a vote, and if the council members would vote aye if you're in favor. So all those in favor, aye?

(Chorus of ayes.)

MR. ARMSTRONG: Any opposed?

MR. BROWNSTEIN: Nay.

MR. ARMSTRONG: Thank you. I have one objection.

Okay. And so the ayes have it, and the study is approved. And I just want to say a huge thanks, François, to you and Alex and all of those that participated in it. Fantastic study, and really appreciate the great work that was done in a very short amount of time relative to our process. So, thank you.

Okay. Our next order of business is to consider the proposed report for the gas and electric coordination. And the team here is going to discuss their findings and recommendations, and then we will take a vote on the adoption of that, as well.

And Jim Kerr, chair of the committee, will lead off the report. Over to you, Jim.

MR. KERR: Thank you, Alan. I'm honored both

personally on behalf of Southern Company to have been given the opportunity to chair NPC's Gas-Electric Coordination study. I'd like to thank Secretary Wright for your leadership and support and for your request for our advice, which has led to what I think is really an important piece of work. And I'd like to thank the Administration for its support.

I think on behalf of François, he would join me in saying that your team at DOE has been simply outstanding.

Also, I'd like to thank Alan for your leadership and your guidance to further the important work NPC plays in shaping productive, durable, actionable energy policy for our nation.

Of course, I want to thank our committee members and our standing subcommittee members for their outstanding work.

I think I would be remiss if I didn't point out and acknowledge one particular member of our study commission, the Honorable Tricia Pridemore from the Georgia Public Service Commission. Tricia was a productive and contributing member of the NPC Study

Committee, but also in her role as the immediate past president of the National Association of Regulatory Utility Commissioners, she led an effort for the last year. She formed a task force on gas and electric reliability issues, and led that effort and produced a report last month at NARUC's annual meeting that is very complimentary to and consistent with this report, and I commend it to all of you as you consider the conversation that we're going to have here this morning. So, Tricia, thank you for your leadership not only at home, but to our nation.

The committee members responded promptly to my many requests for expertise, drawing from their companies, from the broad industry and beyond to contribute to this study effort. This dedicated and diverse team produced -- I'm sorry -- crafting pragmatic and durable solutions to our energy challenges and delivered results within the Secretary's very ambitious timeline -- just five months from his original request -- today's report.

This is a crucial time for our nation and for our industry, and we must acknowledge and accept the

challenging circumstances we face and confront them without regard for how we got here, but clarity and commitment to move forward from this place. Our customers and our fellow citizens expect and deserve this from all of us.

For this study, our objectives were straightforward: To assess how rising and shifting demand and more variable load patterns are straining natural gas infrastructure; to examine how adverse impacts threaten gas and electric reliability, and; to develop recommendations to prevent or mitigate these reliability impacts.

America's energy reliability is at risk as natural gas and electricity become more interdependent, outdated infrastructure and fragmented coordination and market rules threaten outages and rising costs. The NPC Gas-Electric Coordination Report makes it clear that we need urgent and coordinated action, comprehensive planning, permitting, and market reform and investment in fit-for-purpose infrastructure.

The time to act is now. Just last week, the New York Independent System Operator warned of profound

reliability challenges as rapid growth of large loads, an aging generation fleet, a lack of new dispatchable generation, and gas infrastructure add stress to our energy systems. Aligning natural gas and electricity systems is not a reliability -- is not only a reliability, an economic necessity; it is an economic resilience issue, a workforce opportunity, and a significant access gap that must be addressed in national and state energy policies.

I'm proud of what we've accomplished, but there is more work to be done. We must avoid complacency. We must work collaboratively and always keep our customers and our communities that we are so privileged to serve at the center of everything that we do. Thank you for being here today. And I'll now turn it over to my partner and Vice Chair, Toby Rice, to share his thoughts.

MR. RICE: Thanks, Jim. It's been a privilege to work -- to co-chair this study and work alongside you and the tremendous collaboration that's taking place across industry, government, academia, that made this report possible.

But I would first like to thank Secretary Wright for commissioning this report. I'd also like to thank you for your remarks opening this and your description of a really amazing vision for energy and all the amazing things that are in front of us. Certainly AI presents a tremendous opportunity, but that is an opportunity, and our priorities are very clear: Keeping the lights on, keeping energy bills affordable. That is going to continue to be our priority. And producing affordable, reliable, secure energy system is our priority, number one.

For years, EQT has -- and our industry -- has been sounding the alarm that natural gas demand is rising faster than the infrastructure designed to move it, and the cracks in this affordable, reliable, secure energy system, the cracks of this foundation are showing, and they're getting wider.

As you mentioned, Americans' energy bills are going up, and there have been some structural changes to our energy system that are driving these changes, like the fact that natural gas demand has risen over 50 percent since 2013, but pipeline infrastructure to move

it has only grown by 25 percent, and storage infrastructure designed to buffer -- provide security to the system -- has only grown by 2 percent.

This study highlights those trends and highlights the fact that demand is not just growing on the coldest days, it's growing every day, and the system was not built for this kind of modern demand.

What we're seeing is simple: Electricity demand is expanding, and natural gas is being called on to fill the gap, but our permitting system and infrastructure investments are not keeping up, and that is a recipe for reliability risk. The findings from this study in the companion permitting report we just went through to make one point crystal clear: Reliability requires infrastructure, and infrastructure requires reform. We must strengthen our planning efforts, streamline permitting, modernize markets, and invest in fit-for-purpose infrastructure and systems that reflect how Americans actually use energy today.

You know, what gives me confidence is how collaborative this effort has been. It brought together producers, pipeliners, utilities, regulators,

and policymakers, all focused on a common goal of keeping the lights on and keeping the heat running for Americans.

The diagnosis of the problems are clear and accurate and well-pointed, and the recommended solutions are going to hit the target, but there's going to be a lot of work that needs to get done. The path forward is clear: If we act on these recommendations together, we can strengthen reliability, restore balance, and deliver on the promise of an affordable, resilient, reliable, secure energy system for all. Thank you.

(Applause.)

MR. KERR: Thank you, Toby. Before I ask Ken Yagelski, my colleague at Southern Company, to come forward -- and Ken led the coordinating subcommittee, let me just point out that in the Council's review of the draft, which was circulated a few weeks ago, we did receive several comments on the report. After consideration by the Study Committee and the Coordinating Subcommittee, we did accept a number of these suggested edits. I believe that there's a copy

of those edits at each of your places. These changes were really clarifications to the various substantive chapters of the report and do not affect the study's ultimate recommendations.

So, with that, I'll ask Ken Yagelski to come forward and walk us through the details of the study.

MR. YAGELSKI: Thanks, Jim. I appreciate that. And thank you again, along with the National Petroleum Council, for granting me the absolute privilege of chairing the Coordinating Subcommittee and leading this important study. It's been a real honor to work alongside such an exceptional team of talented professionals throughout this study process.

Since its founding in 1946, the NPC has produced more than 200 reports, each playing a vital role in advancing our industry. Today, we're going to turn our attention to the latest of these efforts, Reliable Energy: Delivering on the Promise of Gas and Electric Coordination.

Now, I have to be really honest with you. When I was asked to lead this study, I said, oh no, another gas-electric coordination effort. But the

study team understood the assignment, and they delivered an outstanding report, and I want to walk you through that.

So let's start with a quick summary. Natural gas has become the backbone of U.S. electricity generation, supplying 43 percent of utility-scale power in 2024, up from 28 percent in 2014. The flexibility and reliability of natural gas have enabled the retirement of coal plants and supported decarbonization efforts.

This shift to more natural gas fuel generation underscores the growing interdependence between the gas and electric sectors. Both sectors are experiencing rapid demand growth, particularly in winter, driven by electrification and industrial expansion. Infrastructure constraints are becoming more acute, and now disruptions in one sector can cascade into the other, risking widespread catastrophic outages and higher costs for consumers.

There is growing recognition that the gas and electric sectors are deeply interdependent, but their market designs, operational practices, and regulatory

frameworks remain misaligned. This NPC study focused on analyzing the root causes of that misalignment, highlighting reliability risks, and recommending actionable and durable strategies for alignment and resilience.

As was mentioned, this effort officially started in June of this year when Secretary Wright requested the NPC complete a study on future energy systems, with the initial emphasis on oil and gas permitting and gas-electric coordination. The DOE requested NPC to examine gas-electric coordination because misalignments between the two sectors threatened the nation's energy security, reliability, and affordability.

The study was conducted by a diverse team of about 100 senior leaders and subject matter experts from across the natural gas and electric industries, government, academia, and public interest organizations. We made sure that many of the study team members were specifically selected to participate because they "feel the pain" of the misaligned industries in their own daily work. They all had a

vested interest in developing real, workable solutions to these problems. With the expedited study schedule, the teams made a significant commitment to meet often and work quickly.

After five months of concerted effort and comprehensive research of the industries, and also of the previous gas-electric coordination efforts, the team documented more than 80 potential recommendations to consider. The report provides a thoughtful narrative of this work and the solutions needed to deliver on the promise of gas-electric coordination.

Let's see how the study team got there. The study began by assessing how the use of natural gas has changed over time, helping to cause this misalignment between the energy sectors. There's been a major shift in natural gas end-use consumption, with the electric power sector overtaking all others to become the largest and most variable consumer of natural gas in the U.S.

The shift began in the 2010s and accelerated with the shale revolution, the retirement of coal-fired plants, and the rise of efficient gas fire generation,

and also the growth of intermittent resources. In 1997, electric power was a smaller share of total gas consumption, but by 2024 it is the dominant end use, while the shares for residential, commercial, and industrial use have declined or remained flat.

The rapid expansion of intermittent wind and solar resources -- they are over 60 percent of the new U.S. generation capacity since 2010 -- has made gas-fired power generation essential for grid balancing, which in turn has increased the variability of natural gas demand. Electrification of heating and transportation is now shifting peak electricity demand from summer to winter, further increasing the overlap between power sector and local distribution company gas demand.

Historically, gas and power sectors evolved under separate regulatory frameworks. Natural gas regulation has been based on steady demand from LDCs and industrial users, recovery of reasonable and prudent cost, and regional supply sources, whereas power regulation has been focused on competitive markets, ISO and RTO structures, and real-time supply

and demand balancing. Natural gas pipeline services and regulations have been designed for predictable loads, not the high demand variability introduced by gas-fired generation and intermittent resources.

The study team then focused on how these consumption changes have adversely impacted natural gas operations. Gas-fired generation has grown at a 5 percent compound annual growth rate from 2013 to 2023, with a 25 percent surge between 2017 and 2020 during the shale boom. The power generation, producer, and marketer segments now dominate contracted pipeline capacity, surpassing LDC's historical hold on firm capacity entitlements. Gas demand is now more variable than ever, especially with the rise of flexible, fast-ramping gas-fueled power plants needed to balance intermittent resources.

This increased variability is both seasonal, with winter power demand peaks now coinciding with LDCs, and intraday due to the need to balance wind and solar output. Many power generators also rely on interruptible natural gas pipeline capacity, exposing them to risk during peak periods. This demand

variability and reliance on interruptible service amplify the misalignment risks. Misalignments in market design, operations, and regulation now threaten reliability as disruptions in one sector can cascade into the other, risking widespread outages and higher costs. This makes improved coordination critical for reliability.

Now, this table is a non-exhaustive list of examples, but it still accurately represents the four groups of fundamental differences between the gas and power sectors that were identified by this study team.

We'll start with operational: Reliable gas operations depend on the optimization of pipeline capacity and storage. Power must balance supply and demand every second, and differences in the gas and power day complicate scheduling and fuel assurance.

Commercial: Gas is scheduled through nominations and renominations on fixed cycles, with bilateral contracts often common. Power demand patterns are highly variable, especially with the integration of peaking units and intermittent resources.

Market Design: Gas trading is less centralized with limited transparency. Most pipeline capacity is allocated through long-term contracts, and there is no organized market for supply and demand balancing. Power is managed through centralized organized markets and vertically integrated utility collaboration. Real-time and day-ahead markets provide transparent price signals and enable system-wide balancing.

And finally, Governance: Gas pipelines are regulated by FERC and state commissions where power is overseen by FERC in regional ISOs and RTOs with stakeholder committees influencing market rules and planning. These fundamental differences between the gas and electric sectors are at the root of many coordination challenges. Addressing these differences is essential for improving reliability, resilience, and cost-effectiveness as the sectors continue to become more interdependent.

Recognizing the work -- the important work -- of previous gas-electric coordination studies, the team identified four key categories of challenges or ongoing

misalignments that continue to exist. Operational inefficiencies and misalignments can lead to generators making fuel commitments without certainty and constrain their ability to adjust to real-time system needs. This can be addressed through increased investment in fit-for-purpose infrastructure, enhanced scheduling flexibility, and improved situational awareness and communication between the energy sectors.

Current market design inefficiencies and misalignments undermine fuel assurance for power generators, leaving both sectors vulnerable during peak demand and extreme weather events. Improvements can be achieved by the development of market mechanisms that value fuel assurance and resource adequacy, and ensure compensation for generators to secure reliable fuel supply.

On the commercial side, some power generators lack firm transportation contracts, making them vulnerable to curtailment during peak periods, as secondary markets for pipeline capacity are less reliable during winter peaks. This issue can be de-risked by ensuring gas-fueled generators have proper

incentives to secure firm gas transportation and supply, and tailoring enhanced gas services to power sector needs.

Government fragmentation slows reform, reduces accountability, and leaves gaps in reliability planning and emergency response. An improved path would embrace comprehensive long-term planning, clarifying roles and responsibilities and using existing forums to share best practices and coordinate reliability efforts. Importantly, these challenges are interdependent. Solving one without addressing the others will not deliver full reliability benefits.

A critical part of the study was to determine what constitutes a healthy alignment and why that matters. The team identified these 10 principles that define what a healthy alignment between the gas and electric sectors look like. The principles provide a roadmap for reducing misalignments, improving reliability, and ensuring affordable, resilient energy for consumers. Failing to address these principles increases the risks of outages, higher cost, and reduced system resilience. Healthy alignment requires

robust infrastructure as the foundation, shared reliability priorities across energy sectors, and clear accountability and transparency in roles and responsibilities.

The foundation of these 10 principles requires constructive policy, commercial solutions, and stakeholder collaboration. By gaining this clearer understanding of what healthy alignment looks like, the team was able to refine and consolidate the original 80 recommendations into a more practical and focused list.

This slide provides a concise summary of the key findings from our comprehensive study on gas-electric coordination. The report proposes 10 bold recommendations that we grouped into five strategic areas:

Long-term planning and system integration: Integrate gas and power sector planning through comprehensive, forward-looking strategies spanning at least 10 years, and including the entire energy value chain to align resource adequacy and fuel assurance with active collaboration among federal, state, and regional entities to ensure future reliability.

Infrastructure investment: Accelerate permitting and investment in fit-for-purpose energy infrastructure such as pipelines, storage, and other flexible assets to meet evolving gas and electric sector needs, enhance existing systems for near-term reliability, and support development of new projects as demand patterns continue to grow more variable.

Market design and commercial alignment: Reform market structures to incentivize reliable generation by valuing fuel assurance, resource adequacy, and operational flexibility while expanding pipeline services and flexible contracting to align with the needs of variable gas-fired generation.

Governance and accountability: Establish clear roles, metrics, and transparent accountability for reliability, resource adequacy, and fuel assurance supported by a published framework from the FERC federal and state issues collaborative.

Collaboration and continuous improvement: Promote continuous collaboration and knowledge sharing among gas and electric industry participants, regulators, and policymakers by leveraging existing

efforts like the NARUC Natural Gas Readiness Forum to document and disseminate best practices and lessons learned.

These five actionable buckets taken together provide a roadmap for aligning the gas and electric sectors. Each recommendation is interdependent where progress in one area supports and reinforces the others. The ultimate vision is a reliable, resilient, and affordable energy system for all consumers achieved through proactive, coordinated action.

So this list provides a more detailed description of the 10 actionable and durable strategies for alignment and resilience. Comprehensive planning, permitting reform, building new infrastructure, enhancing existing assets, market reforms, accountability framework, flexible gas services, clarifying roles, leveraging existing forums, and improving reporting metrics.

The final report provides a very detailed explanation of each recommendation that includes the benefits, the actions required to implement, challenges to implementation, and impacted stakeholders. The

recommendations directly address challenges across operations, commercial practices, market design, infrastructure, and governance -- the five key findings identified in the study.

Once you read the report, I believe you'll agree with me that the recommendations provide a clear roadmap for aligning the natural gas and electric sectors. Neither the energy industry nor their customers can afford to wait. Strengthening the system before the next energy crisis, not after it, is the mark of prudent planning and effective risk management. Implementing these recommendations will deliver on the promise of gas-electric coordination. Thank you.

(Applause.)

MR. KERR: Let me thank Ken for his outstanding work and his leadership, and let me thank all of the study participants. This has been an effort that's worthy of our very best efforts, and you have absolutely delivered just that on behalf of our nation.

Mr. Chairman, that completes our report, and I would move that the Council approve the report as this Council's response to Secretary Wright's request for

our advice. Ken, Toby, and I are happy to answer any questions.

MR. ARMSTRONG: Okay, thank you. Before we go to questions, do we have a second?

UNIDENTIFIED SPEAKER: Second.

MR. ARMSTRONG: Thank you. Okay. We'll open the floor up to comments and questions.

MR. MILLER: Hi. So your timeline to implement some of these suggestions, what are -- what are your real expectations -- your real expectations to implement some of these ideas? How long do you think it would take?

MR. YAGELSKI: So many of these utilize existing forums or processes that are in place. So there's no reason to believe that these are long-dated. These can all start immediately with DOE support and the industry support. We believe these are all short-term solutions.

SEC. WRIGHT: If I can push that a little further, define short-term solutions. Because you've got market changes and some additional things. Ken, I love the work. I think it's a critical issue. What do

you think the timing of -- not starting implementation, but when -- when are you going to feel more confident that we have a secure and reliable integrated system? Is that 12 months away or 10 years away?

MR. YAGELSKI: Well, it's certainly not 10 years, but 12 months might be only just a little ambitious because some of these recommendations, for -- for example, the market reforms that require appropriate compensation for generators to secure the required capacity that's needed -- that's going to take just a little bit of time. That feeds into the long-term planning. That process will identify the infrastructure enhancements that are needed. Then that turns into projects actually being constructed and built.

So, Secretary, I'd like to think, you know, that's really how fast can we get the projects permitted and constructed, and then the solutions will be implemented.

SEC. WRIGHT: Thank you.

MR. KERR: And, Mr. Secretary, I would also add, a lot of work has already happened largely in

response to weather events and so forth under, again, NARUC's leadership. I think the level of coordination and communication between the gas and electric sectors with both state and federal regulators, that's already happening. I think if you look across these recommendations, some things should happen, start this afternoon; some things will take a little longer. You know, a lot of the market reforms are in the RTO structures, and they have rather byzantine governance around them. There's not a lot of clarity, and that will take longer.

I hope that what we've done -- and what I think is unique to this study, you know, there's been a lot of calls for better coordination. There's been a lot of calls for even in some cases to reallocate what is a limited system and its ability to respond to demand. And I think what we've tried to do here is fundamentally establish the problem -- how is this system built, why was it built, how was it financed, what is the changing demand being placed on it -- and call out the threat.

And so, again, some things can happen this

afternoon, some things will take longer. But I think what this study has done uniquely is build on a lot of prior work to be -- to your point that the math of the facts, the physics, and the economics, and the reliability threat that we face. So I hope that, again, different aspects will take different amounts of time because of where the responsibility lies and what has to be done, but I think we've firmly accomplished calling the question very clearly.

MR. ARMSTRONG: Okay, great. Thank you.

Any other questions or comments?

(No response.)

MR. ARMSTRONG: Okay. Hearing none, we will -- I do have a motion and a second. And so all those in favor, say aye.

(Chorus of ayes.)

MR. ARMSTRONG: And any opposed, say nay.

(No response.)

MR. ARMSTRONG: Okay. Thank you all very much. The motion carries.

(Applause.)

MR. ARMSTRONG: So I just want to say again,

thanks. This was a huge effort, and there was a lot of times we were staring at each other thinking, no way is this going to get done in this time frame. But it did get done, and I'm very thankful for the tremendous effort that Jim, Toby, and Ken and the entire Study Committee Team and the Coordinating Subcommittee put into this.

So we do have that report behind us, and that is certainly a comprehensive report. The next one even tops that in terms of comprehensive, and Greg Ebel has -- of Enbridge -- has agreed to chair the committee, and he'll update us on their preliminary planning. This study is not up for a vote today. It's just an update on this study. It's just getting kicked off.

So, Greg, thank you.

MR. EBEL: Well, thanks very much, Alan.

Good morning, everybody. First of all, I want to say thanks to Alan for reaching out and asking me to take this on. Alan, you and I have known each other a long time. We've been kicking around as CEOs or chair for a couple of decades now as fierce competitors and frenemies, and you definitely represent the best the

industry has to bring forward. I want to thank you for your ethics and your commitment and moving the country forward for so long. So thank you for that.

MR. ARMSTRONG: Thank you very much.

MR. EBEL: Mr. Secretary, thank you for your words this morning. It's great. I -- I can say whenever I talk to Chris Wright, I learn something new, which I can't say that's always been the case with past secretaries. So I want to -- I want to thank you for that and your leadership and your focus on ensuring that the U.S. remains competitive and that we've got an energy system that's focused on security, reliability, and affordability -- three words which you've heard for a long time.

As has been indicated, earlier this year the Secretary asked the Council to undertake a future energy system study to help inform U.S. energy policy. So that request included some timely priorities, which you heard today. Thank you to both François and Jim and their teams again on that, namely the permitting study that we just passed, as well as the gas-electric coordination reports, which were completed in months,

as you've heard, which is incredible, as well.

Those will actually fit into the future energy system framework. We're not going to restart those. They'll be nice chapters as part of that, and all of that will be intended to provide policymakers and market participants with timely, actionable recommendations.

So let me just give you a brief update. We're much earlier in the process than these last two studies that were just presented, why -- but let me say why this matters, how we're going to approach it, and some of the next steps.

So maybe by way of a start, obviously this morning we were reminded again of the U.S., and frankly the whole world, is really entering into a period of rapid energy demand increase. Right? Driven by, yes, industrial growth, yes, AI, but also power generation, just so many fronts and just general desire for economic well-being across the world. The stats are pretty clear on that front. In meeting that and sustaining that demand requires, again, affordability, reliability, and security to be at the core of that

energy system.

So we think we can do that. We think we've got some policy ideas and around some of the priorities. And so the future energy system will provide the DOE with scenario-based analysis, so a little bit different forward-looking guidance that's really driven by technical rigor and some of the market realities. So it will establish a baseline for affordable systems, reliability, security expectations, and then we'll test those affordability shifts under evolving policy objectives and scenarios.

We're going to use some of the existing energy systems models that are out there, and the intent is to apply four parameters for this study -- time, reliability, security, and geography -- to evaluate policy-driven trade-offs. We're going to focus on two time horizons. The first horizon is from now for the next 10 years and then the one -- and there's always limited flexibility in that. But we think there's some things obviously to do on that front. And then longer term, 10 to 25 years, where policy decisions always have a much greater effect as they get implemented over

time.

Defining constraints for reliability and security is going to be central, as well. As we well know, and we've heard a little bit about today, reliability standards vary from, you know, uninterrupted gas delivery for things like AI to more flexible demand in things like manufacturing.

Security obviously involves things like import dependence or lack thereof, which we'd like to completely go to. Refining capacity, grid resilience, infrastructure, resistance to things like cybersecurity and yes, Mark, climate challenges as well.

Geography is going to matter, too, in all of this. Regional resources, demand patterns, infrastructure constraints, that type of granular analysis around that.

And then to enhance the insights, the study is likely going to include some additional subcomponents beyond those presented today, so maybe a few more sprints. I'm thinking largely around natural gas storage, has been some discussion with the DOE, and so critical not only for things like LNG and power, but

increasingly reliability, affordability, you know, balancing systems so critical to so many of our distribution organizations and companies across -- right across North America. We can probably use that to a better extent, as well.

So with the scope defined, the Enbridge team, DOE, council members are developing the detailed work plan right now and the schedule for delivering a final report study to the NPC, and with your support and vote, then onto DOE and the Secretary.

We're in the process of finalizing the study committee, many of those who have been called upon. I also noticed the Secretary used two words today that weren't necessarily energy, but "service" and "speed." So get ready for that. We're going to try to get the right groups on this.

If you're interested in participating, please reach out to the NPC staff. The more the merrier for this type of comprehensive work. And I think we can all agree, this study is coming at a very pivotal time for projected energy demand with really critical questions facing policymakers, regulators, and, of

course, the industry itself. So our goal is ultimately to deliver tools for decision-making that keep energy affordable, reliable, and secure, while also meeting the ever-changing policy goals and sustaining U.S. economic leadership and energy dominance.

And I can't promise yet, but hopefully I think it'd be a kind of a nice gift from the NPC to the DOE on the 250th anniversary of this great country if we can pull that together.

So, Mr. Secretary, that's the goal. That's what we're trying to do, and I'd be happy to take any comments or questions. Mr. Chair.

MR. ARMSTRONG: Any input for Greg? And, by the way, if you do have interest in being engaged and involved and bring your resources to the table, John Dabbar is -- or Greg, either one -- is a great person to express your interest and get engaged with that. This is going to be a pretty heavy lift and a lot of input from a lot of different circles required.

MR. EBEL: The Council has a long history of being volun-told what to do. So I look forward to that. Thank you.

SEC. WRIGHT: Greg, I do have one question, which is just basically assumptions, the framework, particularly looking out 25 years --

MR. EBEL: Yeah.

SEC. WRIGHT: -- I have been in my new role -- actually even before my new role -- quite critical of the IEA, International Energy Agency, which I think is an incredibly important organization founded in the '70s to get real data on the flows of energy, the stores of energy for the security of the global energy system. It's done actually a sterling job at that.

But the last 10 or so years, it just, to me, lost what it was all about, and it became the 57th climate advocacy organization and started to project future demand of energy unrelated to past trends or where the world might be going. But to fit into, you know, theoretical policies that -- my whole life that the peak demand for energy is just around the corner and then rapid declines, but not based in reality. So they had -- their assumptions were not based on reality or humans and what might actually happen and what's happened in the past.

What's going to be the framework in which you're going to -- it's very hard to have a 25-year crystal ball, but what's the framing of where you're going to look at that problem?

MR. EBEL: So I think there are other sources for good modeling. So EIA, for example, maybe even National Labs do a little bit, and then there are a number of industry players that I think have some really great models, Mr. Secretary, that we plan to call upon and use those.

You are absolutely correct. As soon as you get, frankly, beyond 10 or 15 years, you start doing a lot more qualitative views on everything. As you know, you dial the switch on one element, you can come up with fundamentally incorrect assumptions, which I think is what you're pointing out. But that's TBD.

But, again, I think EIA's got great data, and I think there's some really great third-party external industry modeling that's going on. So a lot of the big majors obviously do great work, too, so -- and obviously with our incoming chair, I know they'll be very supportive of anything we need.

MR. ARMSTRONG: We've got an expert on that topic back there. Scott?

MR. TINKER: Yeah. Scott Tinker.

MR. EBEL: Yeah, Scott?

MR. TINKER: This is a really exciting stuff. Thank you, Secretary, for asking us to read it. It's going to have a long tail, we hope. How are we going to assure that there's reasonable bipartisan support so this is a lasting study and doesn't change the problems?

MR. EBEL: Well, you know, I hate to say it, but we're going to rely on facts, which doesn't always get you to what you want to have. But I think as a starting point, Scott, like, that just has to -- it's always been and has to be the NPC piece. We have to put -- and I think we did that today, and you get the right voices around the table. I think we can be relatively nonpartisan. There's no doubt there'll be some people that see it as one way or the other. But I think as long as we stay committed to the facts, we use models that use factual and robust data sets and scenarios, there's no guarantee that should there be

changes down the road that someone doesn't want to turn that into a doorstop, if you will. But I think if we can do it with fast, accurate data and we can get it to the Secretary, hopefully it can get implemented in such a way that it doesn't get switched around. But there's no doubt that's always a risk with these things. Right, Scott?

MR. ARMSTRONG: Okay. Any other questions or input for Greg?

(No response.)

MR. EBEL: Thank you.

MR. ARMSTRONG: Okay, Greg. Thank you very much.

(Applause.)

MR. ARMSTRONG: Okay. Next up, we have James Danly, who was sworn in as the Deputy Secretary on June 9th of this year. And before arriving at the Department, he was a partner at the energy regulatory group leader at Skadden in D.C. And most of you know that before that he was at the Federal Energy Regulatory Commission as general counsel, commissioner, and chairman. And he is a veteran of the United States

Army, having served two tours in Iraq, where he earned both a Bronze Star and a Purple Heart.

I've had the opportunity to get to know Deputy Secretary Danly in his prior roles, and I grew to appreciate his focus and firm resistance to regulatory creep, to agency interpretation, and, importantly, his very strong sense of duty to making our nation great.

And so very glad to have you here today, Deputy Secretary, and the floor is yours.

MR. DANLY: Thank you. I appreciate that. So those out in the audience who followed me at FERC know that I am rather sparing in the compliments that I give out, and I want to pay one to the NPC. We witnessed something that I never thought I would see, having been through the previous iterations of gas-electric coordination, which was a unanimous vote on the subject. Right? Those of us who had lived through the earlier ones -- don't need to get into names -- but they were often fraught processes, and there were a lot of hackles raised. And I admire the attitude with which this was undertaken, because, you know, the term "healthy alignment" betokens a much more collaborative

effort than we've seen in the past, which often seem to descend into something approaching coercion. Right? And I really, really admire that, and I thank you for the efforts.

So when we talk about the need for gas, I just want to highlight one thing there and then one point on the permitting reform. It is true, your euphemism of Byzantine. I think that was too gentle an expression for stakeholder processes. You got a chuckle out of that, and quite rightly.

There is no reason why the markets wouldn't be able to do this quickly. Right? Sixty days is the time of action for any tariff filing before the Commission, and it's only been 10 years that I've been asking people to include compensation for firm fuel for the gas generators. So maybe, maybe it'll stick this time. But it is -- it is a fundamental component of market design that has to be addressed. Every rationally run utility in America and the vertically integrated states really does take pains to make sure that the gas is there when they need it, and the market should be no different because this is a matter of

resource adequacy.

Then, on the subject of permitting reform, I think there are many people in this room that breathed a sigh of relief when Seven Counties issued. And we felt the Supreme Court did justice by its precedent and returned the state of the law back to what it was under Public Citizen and returned the mandatory scope to that narrowed field of those actions over which the agency actually has jurisdiction.

I lived this saga from the very beginning when I got to FERC as general counsel. That was right after Sabal Trail was issued, and then I litigated as general counsel every one of the successor cases, including several of the arguments that I did myself in the D.C., both of which I won.

But the case law accreted, and, over time, it got worse. And Seven Counties, no doubt, is a very important case, and it matters a lot, and it's going to help a lot of the back-end risk for infrastructure projects. But the need and the urgency for statutory reform is still there because all Seven Counties actually stands for, even reading it for all it's

worth, is the abrogation of Sabal Trail and its progeny and what the agencies are required to study. They're still able prudentially to do whatever they want, and the agency and some future administration not guided by the policies of energy dominance may well think that they need to examine a much broader scope, in which case those issuances will then be subject to all of the Administrative Procedure Act liabilities that we faced for the previous decade.

So even though Sabal Trail was a very reassuring case, I do think that it is necessary for us to push for statutory changes to ensure that the infrastructure that is necessary can be built. And it has to be built, because without the infrastructure, you don't have energy dominance, and that is absolutely key to America's success in the future.

So under the President's vision and that of Secretary Wright, we are doing everything we can to advance that agenda. Infrastructure is critical to it. And I just want to reiterate one last time my thanks for the approach you had in both of these studies. Thank you.

(Applause.)

MR. ARMSTRONG: Okay. Thank you, Deputy Secretary, and thanks again for being here this morning.

We're also pleased to have with us this morning Kyle Haustveit, who was confirmed on September 18th as the 16th Assistant Secretary for what has just been renamed the Office of Hydrocarbons and Geothermal Energy. In this role, Mr. Haustveit oversees a substantial $5 billion R&D portfolio which spans coal, oil, natural gas, and is aimed at advancing affordable, reliable energy solutions.

His career was mostly with Devon Energy, and he's been involved in their in next-generation energy, and I got a chance to visit with Kyle last night and got a chance to thank him. That's a courageous thing to do when you're in the middle of your career like that and take on the obligation and the duty to serve our country, and I'm convinced that that's what convinced Kyle to do that, and some great persuasion, I'm sure, from Secretary Wright as well. But I would just say that that -- you know, that persuasion only

works on somebody that's really dedicated to our country. And so one more time we're seeing somebody from the industry step up and really commit to trying to make our country great.

So, Kyle, I want to tell you a huge thanks for that, and I'll turn the floor over to you.

MR. HAUSTVEIT: Great. Thank you, Alan. Thank you, everyone, for being here. It's an honor. My first time attending a National Petroleum Council event, and I can say in the lead-up to it, joining the meetings, as we reviewed these studies, I was blown away by the level of engagement from the senior-most leaders. This was not a, "put my name on a piece of paper and we'll have our staff do it." The senior executive leaders along with the team members were actively involved. They were engaged, they were debating, in order to get to the right answers that are durable. This is the room that knows how to take molecules to megawatts and everything that goes on in between that. So thank you for the time and dedication.

Since I haven't had a chance to meet everyone,

I would love to. Our office has the honor of being the point of contact to John and his team at NPC.org. I'll give a quick background. I was born and raised in North Dakota. My family's homestead, where my grandparents still live, is just a few miles from the Iverson Discovery well drilled in 1951. So I had the chance to spend weekends on location with my grandpa, who was a drilling consultant, and he gently nudged me to take a different path to get into the industry rather than working from a roustabout up, and guided me to petroleum engineering at Montana Tech.

And as Alan said, I spent my whole career in upstream oil and gas with Devon Energy, and I loved it. I loved every minute of it. So when I had the opportunity to serve the country under the tremendous leadership of President Trump and Secretary Wright, it was a no-brainer. It's an honor to be here, an honor to serve. Energy is what fuels modern life, so I'm so grateful that our team gets to be a part of delivering that.

So the world needs more energy now more than ever, we know that. We've heard the lucky 1 billion

comment many times. We're living a great life as part of that lucky 1 billion. But there's growing demand from us, and there's also 7 billion other people that need the energy that we have.

As Secretary Wright laid out earlier this morning, it's incumbent on all of us here today to do everything we can to ensure affordable, reliable, secure energy for Americans and for our allies. We can do it by unleashing the vast amounts of hydrocarbon resources we have in the United States, and the input that we receive from the study groups today is going to help us do that.

The permitting study provides us with a pragmatic roadmap. As you've heard from our Deputy, who knows this space better than anyone, Secretary Wright's put together an incredible team I'm honored to be a part of, but to have a former FERC chairman as our Deputy just shows you how thoughtful Secretary Wright was in building a team that can get things done.

The gas-electric study gives the Department another clear set of goals and recommendations to bolster the coordination across both industries,

underscored by the very real impacts of risk to the system; risks that we saw through events like Winter Storm Uri and Elliot demonstrated how a failure in one system can cascade to others. It can result in price spikes, reliability risks, and put human lives at risk.

As the recently renamed office, Hydrocarbons and Geothermal Energy Office, HGEO, we're excited to share some of our objectives and our goals for the next few years to help accomplish President Trump's energy dominance goal. The first is doubling U.S. recovery factors for unconventionals. The shale revolution transformed not only the U.S. energy system but the global energy system. Today, for oil reservoirs, we recover roughly 10 percent of the oil in place. We can repeat the shale revolution with the resource we've already characterized, the wells we've already drilled, through the infrastructure that's been built. So we need to do a better job of increasing the recovery. There's many operators in the room who have started to make some exciting progress in this space. We want to partner with you and make this happen.

Secondly, there's a lot of resource out there

that hasn't been fully mapped, and we don't understand exactly how we can access it when it is mapped, specifically on federal lands. So we want to help ensure that there's a thoughtful mapping exercise to identify the resources across the U.S. in partnership with our friends at Interior and USGS.

Another focus area that we'll talk a little more about as we move into recommendations and requests for the next segment of the study is produced water. If you're in the Permian Basin, you know that we're producing more than 20 million barrels of water every single day, three to four barrels of water for every barrel of oil. Not only is it a cost production, but it also puts our U.S. oil and natural gas production at risk due to challenges associated with saltwater disposal wells. So, again, we want to partner with industry and find ways to solve that problem and transform that waste product today into an opportunity stream.

And last and certainly not least is -- related to the gas-electric study -- is on gas storage. Optimizing gas storage is critical. We're consuming

more, we're producing more, and we're exporting more. We need to make sure we have the buffer space so that we can have adequate fuel supplies.

So to dive in specifically to the requests that our office and our department has for NPC moving forward, we need help identifying new resources. So we want to understand -- because most of the folks in this room will be the recipients of this information -- how will you use it, how do you prefer to receive the information on mapping for resource identification? So partnering with, again, USGS to provide that information, let's work together on the front end to make sure that the product delivered is something that can be used by industry.

And, again, diving back into produced water, it's a significant portion of your cost and a growing challenge not only in the Permian, but a majority of the water that we're targeting will be Permian, and then the lessons learned can be applied elsewhere.

The short-term study would focus on alternatives to saltwater disposal. And one of the challenges we've seen is there are commercial

desalination technologies and it's -- you know, the Permian basin is home to some of the most affordable natural gas in the world. But the challenge is, what do you do with the fresh water when you desalinate it? There's some challenges that we need to solve. We need your input to better understand where we can put that water to use and turn it into a value stream.

And, lastly, I'll borrow some of the same stats that Toby mentioned from the report. Natural gas demand surged by nearly 50 percent from 2013 to 2024. Pipeline capacity only increased by 26 percent, and storage only by 2 percent. That combination, if we don't solve that problem, is going to result in more volatility in pricing. We need to find ways to create buffers in the system. So that's the third component that our office and our department is asking NPC to look into.

Combined with the two reports from today, we think these component pieces of a larger evaluation of future energy systems will create meaningful and lasting change for our domestic energy sector. As the Secretary and Deputy both alluded to, domestic and

international energy sectors have fundamentally changed. Demand signals have changed in a way that none of us would have predicted 3 to 5 years ago. And we're called on yet again to respond, and I know we will.

If we want to ensure reliable, affordable energy that can power our modern lives, we will need the kinds of innovative solutions that our industry comes up with and our industry executes. Thank you for investing your valuable time and your resources into providing the feedback to us and being our partners to make sure that we're solving problems that matter. Thank you and God bless.

(Applause.)

SEC. WRIGHT: Unfortunately, I've got to head to the next event, but I want to say thank you. Thank you from me personally. I'm touched and I'm inspired that you're all here. Thank you from President Trump and the Administration. Thank you from 340 million Americans that live a better life because of what you do. And thank you from 8 billion citizens of our world that count on the continued progress and innovations

you're all doing. I'm deeply touched. Thank you so much. Thank you.

(Applause.)

MR. ARMSTRONG: Well, thank you very much. Secretary Wright, on your way out. And Deputy Secretary Danly, thank you. You guys are building a lot of momentum for our industry, and we're very appreciative of it.

Okay. Before briefly addressing the administrative matters that we have, I just want to make an announcement for members of the media that 10 minutes following the meeting's adjournment, there will be a press conference in the Buchanan Room, which is over here to our left, and the study leaders and I will be available to respond to your questions regarding the reports that were just approved in today's meeting.

Okay. Well, our first administrative item this morning is the report of the NPC Articles of Organization Subgroup. And this is pursuant to Article 8 of the Articles of Organization. As my September 25th letter and the November 19th follow-up email announced that we would be considering amendments to

the Council's Articles of Organization at today's meeting. And, as you know, the Articles of Organization provide the foundation for our governance and operations. Hopefully not -- hadn't reached the point of being Byzantine, but they were pretty dated.

And so in light of a lot of the recent changes at the Federal Advisory Committee, regulations, learnings from NPC's time-developed practices, and with valuable feedback from our membership and outside counsel, we do believe that now is the ideal time to review and modernize these articles. And there's been a tremendous amount of great work that's gone on that I want to recognize from the Williams Companies' Erin Potter Sullenger, who has kind of taken that on as a personal challenge to update those -- done a great job -- along with Lane Wilson, our general counsel at Williams, as well as outside counsel provided by NPC.

So one of my goals actually coming in as the NPC Chair was to enhance the Council members' engagement and making that broader. And I know when you're -- we're a big council, and I know a lot of times it feels like you're just from the outside

looking in. And my goal, frankly, has been to try to change our articles of organization in a way that brings about more rotation and more engagement from the membership.

And so my team has worked with the NPC staff and members of the Co-Chair's Coordinating Committee to carefully review and identify important revisions. And these key revisions include an alignment with updated federal statutes and DOE regulations, clarification of the government roles and NPC committee structure, enhanced procedures for our meetings, amendments, and responding to DOE requests, and improvements to increase member engagement across the broader Council membership and adopt meeting protocols.

So I hope you'll agree with me that the proposed amendments do meet these goals, and I would therefore move to -- that the amendments as proposed be adopted by the Council, subject to any final proofreading and formatting.

So I would look to ask for a second to that, please.

MR. DUNN: Second.

MR. ARMSTRONG: Thank you, Byron.

So, with that, I would ask if there's any comments or questions on the articles.

(No response.)

MR. ARMSTRONG: Okay. They're pretty exciting, but thank you. And I do want to very sincerely -- you know, this is one of those things that kind of gets ignored, ignored, and ignored, and the team really took it seriously to update those. And I'm very appreciative of the great work that went into that.

So all in favor, please say aye.

(Chorus of ayes.)

MR. ARMSTRONG: Any opposed, say nay.

(No response.)

MR. ARMSTRONG: Okay. Thank you. So the majority of the Council has voted in the affirmative, and these amendments are adopted.

So our next item is the report from the Finance Committee. And our chair, Byron Dunn, Chair of the Finance Committee, will present the committee's report.

Byron?

MR. DUNN: Thank you, Mr. Chairman. In addition to reviewing the periodic performance reports throughout the year, the Finance Committee met twice this year to discuss Council finances; most recently, it was yesterday afternoon.

Our September meeting included a review of the calendar year 2024 draft audit report and the IRS form 990 with Johnson Lambert & Company, which is the Council's outside auditors. The auditors provided the Council a clean opinion letter, which was great and which confirms that the financial controls are sound in the NPC.

Yesterday afternoon, the Finance Committee covered a variety of topics, including the 2025 year-to-date and projected year-end expenses and contributions collections. The Council anticipates 2025 spending to be just under the budgeted amount of $5.8 million, which includes expenses to support the printing of the hydrogen and the greenhouse gas studies, as well as the continuing efforts to substantially complete the natural gas permitting and

gas-electric coordination studies presented to you this morning.

The Council members responded favorably to the 2025 contribution request and collections, totaling 94 percent of our ask, which I appreciate very much. Generally, I'm up here telling you to get your checks in. So that was a good year for the NPC.

Yesterday, the Committee also discussed and agreed upon the proposed 2026 budget spending authority identical to the 2025 amount of $5.823 million to provide resources required to compete three to four short-term requests and continuing the work of the long-term future energy system step.

The 2026 budget also provides funds for outreach efforts to support the Council's recent reports. As part of the Finance Committee's 2026 recommendations, the total funding through contributions remains the same as 2025, and as such the vast majority of the individual members' contributions will likely remain the same. We fully recognize the real cost of the NPC studies is the people, and we appreciate that very much. It certainly helps us

control expenses. It's a huge commitment on your part. The Council must continue to be prudent in their management and scrutinize costs. And I can assure you, based on my observations of management, they're doing that very thing.

Subject to your approval of the budget and the contribution recommendations, the Council will send out the new individual 2026 membership contributions requests earlier next year. Those who have not made your contributions -- I've got to always say this -- for 2025, you've got a few more weeks to get that done.

Mr. Chairman, this completes the Finance Committee, and I move we adopt it to the Council.

MR. ARMSTRONG: Thank you, Byron. Do I have a second?

UNIDENTIFIED SPEAKER: Second.

MR. ARMSTRONG: Thank you. All in favor?

(Chorus of ayes.)

MR. ARMSTRONG: Any opposed?

(No response.)

MR. ARMSTRONG: Okay. Byron, thank you. The next item is yours as well. Chuck Davison is actually

our chair of the Nominating Committee, but in his absence, Byron's going to do that report.

MR. DUNN: Yeah. Chuck Davison is the chair, and he's conflicted, so I get to give his report.

The Nominating Committee has agreed on its recommendations for NPC Officers and Chairs and members of the Agenda and Appointment Committee of the Council, as well as the five at-large members of the NPC Co-Chair's Coordinating Committee.

Accordingly, and on behalf of the Committee, I am pleased to offer the following nominations: For NPC Chair, Mr. Ryan Lance, and for NPC Vice Chair, Mr. Mike Wirth.

For the Agenda Committee, we recommend the following members: Maryam Brown, Bob Catell, Ed Crooks, Vicki Hollub, Ray Hunt, Tom Jorden, Jeff Miller, Bill White, Darren Woods, and Dan Yergin, with Willie Chiang serving as Chair.

For the Appointment committee, we recommend the following: Orlando Alvarez, John Christmann, Paula Glover, David Grzebinski, Olivier Le Peuch, Mike Linn, Pierce Norton, Lane Riggs, Scott Tinker, and Lorenzo

Simonelli to serve as Chair.

In addition, we recommend the following as at-large members of the Co-Chair's Coordinating Committee. That's Kevin Book, that's Maryann Mannen, that's Meg O'Neill, that's Toby Rice, and Robin West. This completes the report of the Nominating Committee. On its behalf, I move that the above slate be elected until the next meeting.

MR. ARMSTRONG: Okay, great.

Do I have a second?

UNIDENTIFIED SPEAKER: Second.

MR. ARMSTRONG: Thank you. And are there any further nominations from the floor?

(No response.)

MR. ARMSTRONG: Okay. Hearing none, all those in favor of these nominations, please say aye.

(Chorus of ayes.)

MR. ARMSTRONG: Any opposed?

(No response.)

MR. ARMSTRONG: Okay. Thank you very much, Byron. Thank you much for carrying the extra load on that today.

Okay. Well, the next one is something I'm -- that is bittersweet for the Council here. And those of you all that don't know, this last year was a lot of changes that have gone on, and one of those is leadership change. But before I acknowledge, you know, what an important event and how excited I am about both what's been accomplished in the past and looking very brightly to the future, I want to say thanks to Ryan Lance and wish him the best in the Chair. I know he's going to do a fantastic job. If you've ever gotten to work with Ryan, you know what a fantastic leader he is and a considerate leader is. And so I'm really excited about him taking that role.

And I want to say how much I've appreciated having everybody's support for the study work that's been done, through a lot of the changes that we've managed this year, and it really has been a rewarding time as chair to see through a lot of change and pick up a lot of momentum, frankly, in the speed at which these studies have been produced and really working towards a new model in terms of producing the studies. So I'm really excited about where the NPC sits today

and know that it's in extremely good hands with Ryan.

So on the leadership change, those -- everybody's aware that Marshall Nichols is going to retire, and as of the close of this meeting. And I just want to say what a -- you know, huge thanks to Marshall. We all owe him for his leadership. He has been -- just to give you the background, Marshall started with NPC in 1972 and was actually -- at the December '79 meeting was appointed the Executive Director by the Chair then, Charles H. Murphy, and that was under Secretary Charles Duncan's tenure.

And so bear with me for an interesting story on this and what was going on at that time. In that meeting, in December of '79, Secretary Duncan's first meeting, Secretary of Energy and first meeting with the Council, Chairman Murphy introduced the Secretary with a story worth repeating. Chairman Murphy said he first learned of Duncan's appointment while visiting the coffee baron of New Orleans, Sam Israel. Mr. Israel said, "I know Charles and I just want to tell you something. He is able and he is honest." Chairman Murphy then told the Council, "ladies and gentlemen,

those are the requisites."

And so I would suggest that these words apply just as well at the beginning of Marshall's tenure as they do to his departure from the NPC. And for 45 years, Marshall has led with both ability and honesty and qualities that have defined his leadership and earned the trust of everyone in this room.

So Marshall's leadership has always been about doing the right thing the right way. He's been steady when things were uncertain, practical when decisions have been tough, inclusive when he needed to be, but also very, very supportive of making decisions when we needed to move on things.

So he's seen a lot. If you think about the price oil shocks, the regulatory changes, the transformative shifts like the shale boom, renewable energy, and the U.S. becoming a net energy exporter, Marshall has kept this Council focused on its mission and bringing people together to solve some of the big challenges that we've had.

So, you know, I -- I've really watched Marshall, and I have no patience, just -- I'll be the

first to admit that. Marshall is blessed with a tremendous amount of patience, and to keep 200 different members aligned for that amount of time, I'm not sure he has any left for his family at the end of the day, but he has certainly offered it up to us. And so -- but I wanted -- the last thing I want to do is just think about how much change Marshall has seen. And I think it's -- you know, we all -- when we're thinking about the new future energy systems, we ought to contemplate how much change is probably ahead of us within that duration.

When Marshall was Executive Director, the U.S. was importing about -- and this was in 1980 -- about 14 percent of our total energy was imported here in the U.S., importing about 4.3 million barrels per day. Obviously, today we're a net exporter and are exceeding today -- our exports are about 7.8 quadrillion BTUs, which is about a fourth of our total production, so pretty impressive accomplishment during the time frame.

We also -- this number, of course, being a pipeline guy, I'd be the guy to point this out, but our gas pipeline mileage in 1980 was 180,000 miles. Today,

that is 2.8 million miles of natural gas pipeline. So we -- there's a lot of change that's occurred. You saw some of the information about how things have come, but we truly have become energy-dependent. And as you heard from the Secretary, we're on the cusp of using our energy and our capabilities and innovation as a nation to help support our allies in bringing peace to our world, as well.

So, Marshall, a lot's happened in your career, and I just want to tell you how much I appreciate all that you've accomplished. Where is Marshall? Is he hiding?

And so I just want to, on behalf of the National Petroleum Council, tell you how incredibly appreciative we are of the standards and the professionalism that you set here at the NPC. So thank you very much.

(Applause.)

MR. ARMSTRONG: And so this is a photo collage here of all the Secretaries that Marshall survived, as well as a note from our current Secretary. There's also a very nice letter from Secretary Granholm

expressing her appreciation for your professionalism, as well. So -- it's hard to come up with anything that really reflects all you've done for the NPC in our country, but this is a start.

We also have one other gift that we'll give to you that is -- because I know you're really struggling on figuring out where you're going to travel. So we have your travel gift card. And, by the way, this is after tax, so we have that.

MR. NICHOLS: Thank you.

MR. ARMSTRONG: So thank you very much.

(Applause.)

MR. NICHOLS: Thank you. And I do thank you all. As you heard by numerous speakers in talking about the real cost and the real values of the Council, are your abilities to come together and work on these study projects and to provide the subject matter experts from your organizations to populate the subcommittees and task groups that do an awful lot of foundational work to create these great studies.

I also have to say, you know, Pam Dunning and Carla Byrd and John Guy, who recently passed away, as

they're a core of the staff that have made this happen. It's not one person. I'm maybe the face of it, but there's an awful lot of hard work going on behind the scenes with an awful lot of great people all of those 45 years, awful lot of great people and certainly have appreciated all of the Council Chairs that we've had during these years. And I won't forget a bit of it, and thank you all.

(Applause.)

MR. ARMSTRONG: Okay. And I did want to recognize Pam, as well. Pam's retiring as well, as Marshall mentioned. So you're all going to have to figure out the new Pam Dunning's email.

(Applause.)

MR. ARMSTRONG: So I will tell you she handles a lot of load there -- a lot of people and a lot of cats to herd -- and she does a fantastic job. And as a Chairman, I've certainly witnessed her accomplishments in that case. So thank you very much, Pam.

Okay. So before the final item on the agenda, does any Council member have any other matter to raise at this time?

(No response.)

MR. ARMSTRONG: Okay.

MR. ARMSTRONG: Hearing none, let me conclude by telling those in the online audience, we do thank you for watching our proceedings this morning and encourage you to download the reports that will be available on the website and following the adjournment of this meeting.

And, with that, I would ask for a motion for adjournment.

UNIDENTIFIED SPEAKER: So moved.

MR. ARMSTRONG: And I'll make the second. And so, thank you. Without objection, the 135th meeting of the National Petroleum Council is hereby adjourned. Thank you all very much.

(Whereupon, at 11:55 a.m., the meeting was adjourned.)

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