

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Subcommittee on Oversight and Investigations Ranking Member Kathy Castor
Hearing on “Examining Emerging Threats to Electric Energy Infrastructure”

July 18, 2023

The electric grid is essential in each and every one of our lives, but it is under stress. At the outset of the June 2023 North America Electric Reliability Corporation Report, NERC advises that “extreme weather events continue to pose the greatest risk to reliability due to the increase in frequency, footprint, duration and severity. In 2022, the National Oceanic and Atmospheric Administration (NOAA) identified 18 separate billion-dollar weather-related disasters in the United States

Climate change is no longer an emerging threat to the grid—it is wreaking havoc today. The increase in extreme weather, record temperatures, droughts in some places that rely on hydropower and excessive precipitation in others present an incredibly complex challenge. This summer, many Americans are sweltering in record heat and grappling with flash floods. The warnings all around us highlight the imperative that the power generation system must move urgently from fossil fuels to clean energy – and that adds to the complexity of ensuring the grid is reliable as well.

Plus, threats from physical attack and cyberattacks are a growing concern. NERC advises that hostile nation states and domestic extremists are targeting our grid. In 2018, it was revealed that Russian government hackers had spent years gaining access to parts of our energy grid, including Wolf Creek nuclear power plant’s business network. Between 2011 and 2013, hackers backed by China’s government breached networks at 20 oil and gas pipeline operators, and details declassified in 2021 indicate hackers planned to use network access to control and damage physical pipeline infrastructure across the country.

Since 2016, federal agencies and researchers have warned about and documented an exponential rise in domestic extremist groups—particularly white supremacists—threatening and attacking grid infrastructure. In February 2023, the FBI thwarted a white supremacist plot to cause a city-wide blackout in Baltimore by attacking grid substations and triggering a cascading grid failure. In April 2023, two white supremacists were sentenced in connection to a plot to carry out coordinated attacks on grid substations in order to stoke civil unrest and racial resentment.

For all of these reasons, the Democratic-led Congress and President Biden passed the most important investments in grid reliability in history in 2021 and 2022. The landmark Infrastructure Investment and Jobs Act and the Inflation Reduction Act directs major investments to grid reliability, while speeding the energy transition and lowering costs for consumers through energy efficiency that can pressure off the power generation system.

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DOE's Grid Deployment Office has already awarded \$300 million in grants to improve grid resilience and has more than \$20 billion left to implement. The Bipartisan Infrastructure Law provided billions to secure our energy grid and improve resilience and efficiency.

Grant initiatives created by the law are investing \$14 billion in States, Tribes, utilities, and other grid organizations to enhance the reliability and resilience of grid infrastructure. Other grants are investing more than \$15 billion to harden and weatherize the grid against the worsening effects of climate change such as flooding, droughts, and wildfires. Investments of more than \$1 billion for cybersecurity ensure we are mitigating the risk of cyber threats so that our grid can use the most cutting-edge technologies.

The Inflation Reduction Act invests tens of billions of dollars to improve energy efficiency and reduce peak energy demand while investing more than \$350 billion in domestic manufacturing, clean energy supply chains, and other critical infrastructure sectors that are essential to the grid. Investments in grid-enhancing technologies, batteries and other critical infrastructure also are helping to modernize America's grid.

We also can look back to past investments in grid infrastructure to understand how steady, deliberate steps can accelerate grid resiliency. A DOE case study of 2009 Recovery Act grants found that the deployment of new smart sensors allowed operators to detect and isolate problems before an outage occurred. They also gave customers better information to make informed decisions and save money every month. In Florida we were thankful that such smart grid technologies allowed for to be power to be restored after Hurricane Ian, even before workers could safely reach damaged infrastructure.

Laws passed last Congress also include provisions that tackle high household energy costs including, tax credits for residential clean energy, saving up to 30% on purchases and installations for clean energy; energy efficient home improvement rebates up to \$3,200 for home weatherization and heat pumps; up to \$14,000 for electrifying their homes, to lower the record-high energy bills; rebates up to \$8,000 for home improvement projects for energy-efficiency, with many more to come.

That's why Floridians are dismayed to learn that Governor DeSantis vetoed over \$346 million in federal funding. This funding included nearly \$174 million for energy-efficiency improvement rebates, and \$173 million for energy-efficient home appliance purchases for consumers. There was also \$7 million for a training program for electrification contractors, that would help expand the desperately needed contractors to support the state's booming growth. This will simply cost Florida families and businesses more money.

Energy saved is a benefit to the grid, and over time adds up. Taking a hatchet to energy efficiency and energy savings makes Florida's energy grid less resilient to extreme heat, flooding and hurricanes. I hope that the Governor will reverse course once he sees other states, like Georgia, benefitting from lower energy bills.

It is more critical than ever to strengthen the grid from climate change and bad actors and I am looking forward to the input from our witnesses on how to achieve our goals.

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Thank you, I yield back.