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Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on “American Energy Security and Innovation: The Role of Regulators and Grid Operators in Meeting Natural Gas and Electric Coordination Challenges”
Subcommittee on Energy and Power
March 19, 2013

Today, the Subcommittee hears from electricity regulators and grid operators about America’s evolving electricity generation portfolio. There is no question that a significant transition is underway.

Renewable energy policies are paying off. We have doubled our capacity to generate renewable electricity from wind and solar in just four years. This has cut pollution and invigorated clean energy manufacturing. Last year, for the first time, wind power added more electricity generation capacity than any other resource. Nearly half of all new generation capacity came from wind.

Cheap natural gas is also helping to transform our electricity sector. This market reality is causing some utilities to retire their oldest, dirtiest, and least efficient coal plants. And new coal plants are simply not cost-effective to build today.

These changes are positive developments. Until carbon capture technologies are developed, burning coal will continue to emit dangerous pollution. We should not invest in infrastructure that will ensure we suffer the worst impacts of climate change or create stranded investments that must be shut down before they’ve served their useful life.

But these changes also create challenges for our electric grid. Clean renewable energy sources like wind and solar provide power when the wind is blowing or the sun is shining but not at other times. We need dispatchable generation that can be integrated into the grid with these intermittent supplies. That is a planning, funding, and construction challenge.

We also need to be developing and deploying power storage systems that can accommodate increasing generation from renewable sources.

EPA, the Department of Energy, and the Federal Energy Regulatory Commission are working to answer these challenges. But we could help in Congress by crafting sensible energy legislation. Two weeks ago, we heard from executives from some of the biggest utilities in the

country. Entergy, AEP, and Xcel operate in different parts of the country and have very different fuel portfolios. But they all agreed that the best way to respond to climate change is through legislation from Congress.

When utilities tell us they are looking for regulatory certainty, they are not talking about bills that delay action. They are looking for real action and thoughtful policies. They want Congress to establish the rules of the road so that they can plan and invest for the future.

Ideally, this Committee will enact a responsible energy policy that recognizes the reality of climate change. But as the President said in his State of the Union Address, he will act if we don't. EPA's proposed carbon pollution standard for new power plants is a good first step. It is a standard that requires new power plants – whether they use coal or natural gas – to keep their pollution below a specified level. The proposed standard provides incentives for the deployment of carbon capture and sequestration technologies. And it creates a level playing field for fossil fuel-fired generation.

It was valuable to hear from electric utilities at the last hearing. And I am glad that we are hearing from grid operators and regulators today. They have important perspectives.

But since policies that respond to climate change are a major focus of the statements and questions at these hearings, we also need to hear from the scientists and technical experts who can inform the Subcommittee about the dangers of man-made climate change and the closing window for effective action. Two weeks ago, I made that request at the last hearing. Last week, Mr. Rush and I sent a letter reiterating that request for an additional hearing. Mr. Chairman, I urge you to respect this moral imperative and listen to all sides of the issue.

I thank the witnesses for being here and look forward to today's testimony.