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**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

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June 3, 2013

Mr. Robert Gramlich  
Interim CEO  
American Wind Energy Association  
1501 M Street, N.W.  
Suite 1000  
Washington, D.C. 20005

Dear Mr. Gramlich:

Thank you for appearing before the Subcommittee on Energy and Power on Thursday, May 9, 2013, to testify at the hearing entitled "American Energy Security and Innovation: Grid Reliability Challenges in a Shifting Energy Resource Landscape."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Monday, June 17, 2013. Your responses should be e-mailed to the Legislative Clerk in Word format at [Nick.Abraham@mail.house.gov](mailto:Nick.Abraham@mail.house.gov) and mailed to Nick Abraham, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Ed Whitfield  
Chairman  
Subcommittee on Energy and Power

cc: The Honorable Bobby L. Rush, Ranking Member,  
Subcommittee on Energy and Power

Attachment

## **The Honorable Mike Pompeo**

1. During an appearance on Fox Business last year, in response to charges that subsidized wind was undermining the economic viability of coal and nuclear power plants, then AWEA head Denise Bode described nuclear and coal as inflexible resources because they have to run all the time. She said that gas and wind were, in contrast, flexible resources because they don't have to run all the time. However, as the testimony from this hearing bears out, wind doesn't run all the time because it can't. It's an intermittent resource that only produces power when the wind blows and consumers pay the price of those reliability costs. Given that fact, if wind continues to contribute to coal and nuclear retirements, our cheapest baseload power sources that threatens reliability and increases costs, should we continue to subsidize wind with the production tax credit (PTC) and, if so, for how long?
2. Public Utility Commission of Texas Chair Donna Nelson stated that "Federal incentives for renewable energy... have distorted the competitive wholesale market in ERCOT. Wind has been supported by a federal production tax credit that provides \$22 per MWH of energy generated by a wind resource. With this substantial incentive, wind resources can actually bid negative prices into the market and still make a profit. We've seen a number of days with a negative clearing price in the west zone of ERCOT where most of the wind resources are installed....The market distortions caused by renewable energy incentives are one of the primary causes I believe of our current resource adequacy issue... [T]his distortion makes it difficult for other generation types to recover their cost and discourages investment in new generation." Do you believe her statement is accurate? If not, please explain. Do you recognize that negative pricing is contributing to resource adequacy challenges in Texas?
3. The North American Electric Reliability Corporation (NERC), overseen by the Federal Energy Regulatory Commission, is a not-for profit organization charged by the Federal Power Act, as amended by the Energy Policy Act of 2005, with ensuring the reliability of the bulk power system in North America. In its 2012 Long-Term Reliability Assessment, NERC found that "[o]perationally, an increase in wind resources continues to challenge operators with the inherent swings, or ramps, in power output. In certain areas, where large concentrations of wind resources have been added, system planners must accommodate added variability by increasing the amount of available regulating reserves, and potentially carrying additional operating reserves." Do you agree with this statement? If not, please explain.
4. Given the concerns raised regarding the costs of integrating renewables, should the wind sector pay the full costs of integrating those resources? Should electricity customers not served by wind integrated into the grid pay for such integration through the socialization of transmission costs?