

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy
“Powering America: Examining the State of the Electric Industry
through Market Participant Perspectives”
July 18, 2017

(As prepared for delivery)

Good morning. I am pleased to be here today to kick off this first of many hearings focused on America’s electricity system. As many in this room are aware, this Committee has an extensive history overseeing the nation’s power sector. In fact, the namesake of this very building, Speaker Sam Rayburn, worked as the Chairman of the Energy and Commerce Committee to pass the Federal Power Act in 1935, a law which continues to serve as the legal foundation of America’s Electricity System. More recently, this Committee was instrumental in the discussion and actions resulting in the creation of organized wholesale electricity markets and other power marketing reforms, ensuring that rates continue to be “just and reasonable”. I can confidently say, that this Committee’s efforts to oversee the nation’s power sector must remain ongoing as the ever-changing nature of the U.S. electricity system guarantees that there will always be new challenges to solve and new opportunities to seize.

With that in mind, I am excited to launch a new set of Energy and Commerce Committee hearings today, titled the “Powering America Series”. This series of hearings will take a comprehensive look at recent developments and challenges in the way we generate, transmit, and consume electricity in the United States. Today’s hearing will give us the opportunity to examine the state of the electric industry through the perspective of various market participants. After hearing from each of these market participants this morning, we will be holding a second “Powering America Series” hearing next week, where we will be receiving testimony from each of the RTOs and ISOs who are responsible for operating America’s regional wholesale electricity markets. It should also be said that in the coming months, we will be announcing additional hearings in this series which will focus on more in-depth topics and issues related to the U.S. electricity system.

Joining us in today’s discussion, we have a full panel of experts representing a wide range of stakeholders from across the electric sector and I would like to welcome them and thank them for being here. As I am sure each of our witnesses will attest to, the nation’s electricity industry and system is undergoing a

significant period of transformation. This transformation is affecting the composition of the country's electricity generation mix, the way industry and regulators are approaching grid reliability, and how Federal energy policies are interacting with State policies. Many of the recent developments and changes within the electricity sector are creating tremendous benefits for American consumers. U.S. electricity prices are low; employment within the energy sector continues to rise; and advanced technologies are giving consumers more control over how they interact with the grid. It is safe to say that the American electricity industry is a world leader and deserves more credit for the amazing work they do.

With that being said, I know that the U.S. electricity system is not perfect, nor will it ever be. The electricity industry is facing dynamic challenges and an uncertain future. The witnesses before us today have serious ideas on how electricity markets and energy policies can be improved. This Committee welcomes these ideas and is eager to engage in a meaningful discussion on how to strengthen the grid and how to provide greater value to American consumers.

No one here is under the illusion that these issues will be understood and addressed in one or two hearings. The U.S. electricity system is the largest, most-complex collection of machines and computers in the world and is influenced by a staggering number of stakeholders. These electricity system issues are complicated and in order to address them it will require an extended effort by this Committee, and by this Congress. Moreover, tackling these issues will require a bipartisan effort. Which is why we have worked with our colleagues on the other side of the aisle in planning and conducting this hearing.

Reliable, affordable, clean electricity is a vital component of every American's life. Going forward, we must strive to enhance the generation, delivery, and marketing of electricity in a way that continues to enrich the lives of all Americans. With this goal in mind, I look forward to this hearing and future hearings to come in this series.