

**Opening Statement of Chairman Greg Walden**  
**Subcommittee on Energy hearing on “Powering America: Examining the**  
**State of the Electric Industry**  
**through Market Participant Perspectives”**  
**July 18, 2017**

Last fall this subcommittee held a hearing where a distinguished panel of witnesses described the origins of the Federal Power Act and how it has withstood the test of time. That testimony provided us with a historical context of how the federal government regulates the electricity sector. Having explored those *historical* perspectives, today we will be examining the *current* state of the electricity industry. As we embark on this “*Powering America*” series of hearings, I’d like to welcome today’s witnesses who are leaders representing a diverse set of utilities and markets participants.

American consumers have come to expect safe, reliable, and affordable supplies of power – regardless of how they receive their electricity. In my district, residents in central and eastern Oregon receive their electricity from small cooperatives, which are often the only provider in vast rural areas in Oregon. In other areas, like in southern Oregon or my hometown of Hood River, consumers rely on large investor-owned utilities to supply their electricity. In both situations, Americans now expect their power on demand. However, producing and delivering electricity from a power plant to our homes and businesses is becoming increasingly complex. New market participants offering advanced technologies and innovative services are changing the face of

the industry faster than many have expected, and that pace of change will only increase with time.

At the same time, wholesale electricity prices are at near record lows around the country. While this is largely a result of cheap and plentiful natural gas supplies, the emergence of renewable resources are also affecting the composition of the power being generated as well as the market clearing prices. As a result, in regions with competitive markets that dispatch generation based solely on lowest-cost, we are seeing that some traditional “baseload” units, such as nuclear and coal-fired plants, cannot compete because they are too expensive to operate within their markets, causing some plants to retire before the end of their useful life.

While on its face, low electricity prices are a boon for consumers and businesses, we are now hearing from some segments of the industry that the loss of nuclear and coal units from the generation fleet could have longer-term impacts on grid reliability. While this is an issue that the DOE is examining in its “Baseload Study,” this is also an issue that the committee will be exploring.

Additionally, recent proposals by states to advance certain public policies in the organized electricity markets have added yet another layer of complexity to an already complicated system. My hope is that there is a path forward to achieve these state policies while also maintaining the

integrity of the wholesale markets. I recognize that this is not an easy task.

Next week, we will continue our examination of the electricity system with executives from the RTOs and ISOs who operate the transmission systems – but today I am interested in hearing directly from market participants regarding their experiences working in the electric sector and their thoughts on areas of potential improvements. I would note that our panel includes representatives that participate in both the non-restructured markets as well as all seven organized markets.

As Chairman Upton noted, today is just the first in our “Powering America” series of hearings examining the electricity industry. I look forward to learning more about the current state of this vital industry and hearing your thoughts regarding what, if any, reforms could help to achieve greater efficiencies, reliability, and competition in the wholesale markets, while also continuing to deliver value to consumers. As I’ve said previously, at the end of the day, our goal is to serve the best interests of consumers and I look forward to your ideas to further that mission.