

Opening Statement of the Honorable Greg Walden
Subcommittee on Energy
“Powering America: Review of the Operation and Effectiveness of the
Nation’s Organized Wholesale Electricity Markets”
July 26, 2017

As you will recall, last week we held our first hearing in the *Powering America* series where we received testimony from a wide range of electricity sector stakeholders. That hearing provided this committee with perspectives, concerns, and ideas from the individuals who participate in electricity markets. Today, we pick up where we left off and continue our review of America’s electricity system by hearing from the individuals who operate the electricity markets, known as regional grid operators.

Regional grid operators, or RTOs and ISOs, are one of the options Americans have to access reliable and affordable electricity. They accomplish this by performing a variety of functions, ranging from long-term transmission planning services to overseeing competitive energy markets where wholesale electricity is bought and sold.

In my home state of Oregon and the state of Washington similar grid operator functions are performed for various consumer owned utilities through the Bonneville Power Administration. BPA is a non-profit federal power marketing administration based in the Pacific Northwest that is part of the Department of Energy. Past attempts have failed to form a RTO for the states of Oregon and Washington, which encompass my eastern Oregon district. That opposition remains strong

today.

But given the size and scope of America's electricity system, it is safe to say that the job of regional grid operators has never been easy, and looking at recent developments within the nation's power sector it is apparent that their job is becoming even more challenging. Thousands of different stakeholders participate in the U.S. electricity system and many of these stakeholders have differing and competing desires for how wholesale electricity markets should be administered.

The RTOs and ISOs, regulated by FERC, have the difficult task of deciding how to best manage and oversee energy markets in order to provide power in the most affordable and reliable way for the customers they serve. RTOs and ISOs do not own any physical grid assets and they do not exist to create profit. They act as independent, non-profit entities and their goal is to effectively orchestrate the generation and delivery of affordable electricity across the bulk power grid by instantaneously matching power supply with power demand for their customers.

Today, we have a panel of RTO executives who bring a wealth of experience operating organized electricity markets and I look forward to their ideas on how we can best serve the needs of the customers they serve.

Additionally, I look forward to discussing other important issues with our witnesses, such as how RTOs and ISOs can accommodate state policies in the areas they serve while preserving the competitive nature of markets and how RTOs and ISOs can incorporate new forms of generation onto the grid without compromising system reliability.

Even though many Americans may not understand the complexities of wholesale electricity markets, one thing most Americans do understand is the electricity bill that arrives in their mailbox each month. This is especially true for American businesses who rely on affordable power to succeed and grow the economy. The goal of this committee, and I think of the grid operators, is to make sure that consumers are always coming out as winners. If we keep this goal in mind when making important policy decisions, I am confident that the U.S. electricity system will continue to thrive and flourish and meet the needs of all Americans. With that in mind, I am eager to discuss how we can ensure affordable energy for consumers across the country while also maintaining system reliability now and in the years to come.