

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy
Hearing on “Department of Energy Management and Mission
Priorities”
October 12, 2017

(As prepared for delivery)

Today’s hearing will examine the Department of Energy’s Management and Mission Priorities under the leadership of Secretary Rick Perry, whom I’m very pleased to welcome this morning for his first appearance before the Committee.

DOE performs essential nuclear security and national security missions. It plays a central role in ensuring the nation’s domestic energy security and stewarding America’s strategic energy interests in international markets. It performs challenging cleanup operations to address its vast environmental and nuclear waste liabilities. And it provides key energy data, and supports foundational science and technological development to advance the benefits of all forms of energy and energy delivery—to ensure the long-term security and prosperity of Americans.

Success of these diverse missions requires sound management and robust Secretarial authorities. Success also requires focused attention and budget resources to address the most pressing priorities from current and anticipated energy and security situations.

In this context, today’s hearing will help the Committee gain insight into the Secretary’s priorities regarding the Department. It also will help the Secretary understand our perspective on priorities we see as essential for DOE’s missions going forward.

When it comes to energy policy, key priorities include DOE’s role to ensure energy security, the reliable supply and delivery of energy, and the strategic value of our domestic energy resources and energy technologies.

The changing energy landscape in the United States is transforming how our national energy policies and respective departmental missions should be oriented. Although we are in an era of domestic energy abundance, new threats to energy security have been growing and requiring more urgent attention.

The Committee's work along these lines informed enactment of several bills in the previous Congress to address emerging threats and to update the Department's energy policy and security priorities.

We enacted legislation to modernize the Strategic Petroleum Reserve and improve its emergency response capability. We enacted provisions for DOE to improve emergency preparedness for energy supply disruptions, protect energy infrastructure physical and cyber security, and prioritize energy security in federal decision-making. We also lifted the 1970's-era export restrictions on crude oil.

We are continuing in this Congress to move policies that enhance the delivery and supply of energy. Earlier this year Mr. Rush and I passed H.R. 3050, which reauthorizes the Department of Energy's State Energy Program to help states prepare for hurricanes, earthquakes, floods, fuel supply disruptions, physical and cyber threats, and catastrophic events. With the able assistance of Vice Chairman Joe Barton, we will be reviewing just what is necessary to ensure DOE is positioned for new energy and security challenges.

We're also taking a comprehensive look at electricity market structure and recent developments and challenges for the way we generate, transmit, and consume electricity in the nation—with an eye towards updating the relevant laws governing our electricity sector.

In recent weeks, the Secretary has demonstrated DOE's nationally relevant roles regarding energy security and reliability.

The series of recent devastating hurricanes highlighted the vital nature of robust energy systems, and the department's emergency response capabilities. From all accounts, the department served the emergency efforts well, and I look forward to learning what more DOE can do to serve the interests of affected areas, particularly Puerto Rico, going forward.

The Secretary also recently demonstrated he is willing to take action in the area of electricity market regulations. As you know, this is an area that the Energy Subcommittee is currently very engaged in, with seven hearings thus far under our belt, including 2 last week on this very issue.

While I reserve judgment on the policy solutions, the fact that the Secretary stepped in to this complicated debate reflects the current need to have a broader conversation about the functioning of the nation's electricity markets.

Whether it be interventions through the tax code or through federal and state environmental policies and mandates, all have played a complicating role in the market driven economic outcomes currently affecting the generation profile of the power grid. Reliability and resiliency are important attributes to begin the conversation, but none of these issues can be addressed in a vacuum, as economics, technology, security, and how to address other externalities such as environmental attributes all will have a role to play. I look forward to working with the DOE and the FERC on these issues as we begin to oversee this process.

The rise of cyber threats, the transformation of power generation, the regulatory challenges that continue to affect the cost and availability of energy, all require a strong voice on national energy policy. This is what Congress envisioned for DOE forty years ago, and it is still important today.