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6 THE CLEAN FUTURE ACT AND ELECTRIC TRANSMISSION:

7 DELIVERING CLEAN POWER TO THE PEOPLE

8 TUESDAY, JUNE 29, 2021

9 House of Representatives,

10 Subcommittee on Energy,

11 Committee on Energy and Commerce,

12 Washington, D.C.

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16 The subcommittee met, pursuant to notice, at 10:37 a.m.,
17 in Room 2123, Rayburn House Office Building, Hon. Bobby Rush
18 [chairman of the subcommittee] presiding.

19 Present: Representatives Rush, DeGette, Doyle,
20 Butterfield, Matsui, Castor, McNerney, Welch, Tonko,
21 Schrader, Peters, Veasey, Kuster, Barragan, Blunt Rochester,
22 O'Halleran, Schrier, Pallone (ex officio); Upton, Burgess,
23 Latta, McKinley, Kinzinger, Griffith, Johnson, Bucshon,
24 Walberg, Duncan, Palmer, Lesko, Pence, Armstrong, and Rodgers
25 (ex officio).

26

27 Staff present: Jeff Carroll, Staff Director; Waverly
28 Gordon, General Counsel; Tiffany Guarascio, Deputy Staff
29 Director; Perry Hamilton, Clerk; Anne Marie Hirschberger,
30 FERC Detailee; Zach Kahan, Deputy Director Outreach and
31 Member Service; Rick Kessler, Senior Advisor and Staff
32 Director, Energy and Environment; Jourdan Lewis, Policy
33 Coordinator; Tyler O'Connor, Energy Counsel; Lino Pena
34 Martinez, Policy Analyst; Kaitlyn Peel, Digital Director;
35 Caroline Rinker, Press Assistant; Tim Robinson, Chief
36 Counsel; Chloe Rodriguez, Clerk; Caroline Wood, Staff
37 Assistant; Tuley Wright, Senior Energy and Environment Policy
38 Advisor; Nate Hodson, Minority Staff Director; Emily King,
39 Minority Member Services Director; Mary Martin, Minority
40 Chief Counsel, Energy & Environment; Brandon Mooney, Minority
41 Deputy Chief Counsel for Energy; Peter Spencer, Minority
42 Professional Staff Member, Energy; and Michael Taggart,
43 Minority Policy Director.

44

45

46 *Mr. Rush. The hearing is now called to order once
47 again. The Subcommittee on Energy will come to order now.
48 Today, the subcommittee is holding a hearing entitled the
49 CLEAN Future and Electric Transmission: Delivering Clean
50 Power to the People. Due to COVID-19 public hearing --
51 public health emergency, members can participate in today's
52 hearing either in person or remotely via online
53 videoconferencing.

54 Those who are not designated and participating in person
55 must wear a mask and be socially distant. Such members may
56 remove their mask when they are under recognition and
57 speaking from a microphone. Staff and press who are not
58 designated and present in the committee room must wear a mask
59 at all times and be socially distant. While members
60 participating remotely, your microphone will be set on mute
61 for the purpose of eliminating any inadvertent background
62 noise.

63 Members participating remotely will need to unmute your
64 microphone each time you wish to speak. Please note that
65 once you unmute your microphone, anything and everything that
66 is said in Webex will be heard over the loudspeaker in the
67 committee room and subject to be heard by livestream and
68 CSPAN.

69 Since members are participating from different locations
70 in today's hearing, all recognition of members such as for

71 questions will be in order of subcommittee seniority.
72 Documents for the record can be sent to Lino Pena-Martinez at
73 the email address we have provided to staff. All documents
74 will be entered into the record at the conclusion of the
75 hearing. The chair now recognizes himself for five minutes
76 for the purposes of an opening statement.

77 Once again, good morning. Today the Subcommittee on
78 Energy convenes for a hearing on the CLEAN Future Act as well
79 as other legislation to address electric transmission and the
80 delivery of clean, reliable power. As this subcommittee has
81 discussed in great detail, the energy sector is the second
82 largest source of greenhouse gas emission in the U.S.

83 Despite this fact, some of the greatest opportunity to
84 address the threat of climate change are under the auspices
85 of this sector. The generation of electricity and its
86 delivery to consumers and businesses is undoubtedly essential
87 to the U.S. economy.

88 However, a 21st-century clean energy economy
89 necessitates additional planning and infrastructure
90 investment to advance the large-scale delivery of clean
91 energy in order to effectively cut greenhouse gas pollution
92 and mitigate climate change.

93 A fundamental instrument that is key to the --
94 employment of reliable and affordable clean energy is
95 electric transmission. Speaking frankly, we need a major

96 expand of the electric transmission system to establish our
97 net zero clean energy economy.

98 According to a report from Princeton University, the
99 U.S. would need to triple the size of its current electricity
100 transmission system in just 15 short years. Adding to this,
101 the American Society Civil Engineers report that nearly 70
102 percent of the existing 600,000 circuit miles of transmission
103 line are half past their lifespan. Given these factors and
104 the ongoing discussions of our -- our nation's
105 infrastructure, today's legislative hearing is tremendously
106 important.

107 This is particularly true as today's bill all take aim
108 at addressing the buildout of electricity transmission
109 infrastructure to achieve our climate and clean energy goals.

110 As amount, the CLEAN Future Act, which I take great
111 pride in leading with Chairman Pallone and Chairman Tonko
112 would establish several policies to facilitate resilient and
113 -- electricity supply all while enhancing federal authority
114 to those in -- through the Federal Energy Regulatory
115 Commission and also supports the employment of non-
116 transmission alternative that have put aside the need for
117 additional transmission infrastructure.

118 Today's legislative hearing also includes several other
119 bills authorized by my esteemed subcommittee colleague which
120 would help us achieve our clean energy goal.

121 [The prepared statement of Mr. Rush follows:]

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123 *****COMMITTEE INSERT*****

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126 *Mr. Rush. With that in mind, I yield the balance of my
127 time to the gentleman from California, Congressman Peters.

128 *Mr. Peters. Thank you so much, Mr. Chairman, for the
129 time and for hosting this event. Electric transmission, as
130 you said, is often overlooked, yet it's an essential
131 component to addressing the climate crisis. Successfully
132 siting interstate transmission lines is notoriously
133 difficult, and it's in large part because of the burdensome
134 and unworkable regulatory environment we face. I introduced
135 the POWER ON Act to clarify the Federal Energy Regulatory
136 Commission's backstop siting authority for interstate
137 transmission projects while establishing more inclusive
138 engagement process with states, tribes, and property owners.

139 And if enacted, the bill will accelerated the build --
140 accelerate the buildout of clean energy, increase our power
141 systems' reliability, and lower the cost of electricity for
142 consumers. It's been endorsed by key groups, including the
143 Americans for a Clean Energy Grid, the American Clean Power
144 Association, and the American Council on Renewable Energy. I
145 am grateful to the committee chairs for including language
146 from the POWER ON Act and the CLEAN Future Act and for
147 collaborating closely with me and my staff on transmission
148 policy more broadly and inviting my colleagues on both sides
149 of the aisle to join me in pushing for these important
150 regulatory reforms. With that, Mr. Chairman, I yield back.

151 *Mr. Rush. The gentleman yields back.

152 Now the chair recognizes the ranking member, Mr. Upton,
153 for five minutes for the purposes of an opening statement.

154 *Mr. Upton. Well, thank you, my friend, Mr. Chairman,
155 and thank you to our witness for appearing before us,
156 providing the testimony. It is nice to see someone in person
157 here. I would note that I have, too, been fully vaccinated.

158 I look forward to today's hearing to examine the challenges
159 and opportunities to modernize our electric grid. However, I
160 would like to think that Congress could fix some of the most
161 obvious needs.

162 Instead of the majority's Green New Deal wish list, we
163 ought to start with proven bipartisan issues. The committee
164 ought to be focused on strengthening the reliability of the
165 electric grid to prevent blackouts, lowering the cost of
166 utility bills for our constituents, and preventing repeat
167 cyber-attacks such as the one that took down the Colonial
168 Pipeline a few weeks ago.

169 Instead, we see a thousand-page bill with more than half
170 a trillion dollars in spending, the CLEAN Future Act, which
171 would ban hydraulic fracturing, ban plastics, ban new
172 pipelines, put a chilling effect on new infrastructure
173 development in attempt to nationalize our electric grid.

174 CLEAN Future Act would impose harsh new federal mandates
175 for electricity generation and socialize the cost, forcing

176 everyone's electric bills to go up regardless of their
177 income. Among the most troublesome electricity provisions,
178 the CLEAN Future Act would take away states' rights by
179 forcing utilities to place transmission facilities under the
180 control of an RTO, regional transmission organization, or
181 independent systems operator, ISO.

182 Another provision, the so-called right to clean energy
183 is a huge giveaway to big companies and the rich so that they
184 can install new solar panels and build wind farms at
185 virtually everybody else's expense. The problem with these
186 provisions is that by allowing some to cut the line, it
187 leaves average residential customers on the hook to maintain
188 existing equipment and aging power plants.

189 The right to clean energy is an unfair regressive tax on
190 residential customers. So Mr. Chairman, I know that we
191 shared the goal to improve the reliability of the electric
192 grid and lower utility bills for our constituents, but there
193 is a lot that we can accomplish in a bipartisan way.

194 [The prepared statement of Mr. Upton follows:]

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196 *****COMMITTEE INSERT*****

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199 *Mr. Upton. And with that, I look forward to hearing
200 from the witnesses today. I yield the balance of my time to
201 Mr. Armstrong to introduce Mr. Clark, who will be joining us
202 on the second panel.

203 *Mr. Armstrong. Thank you, Mr. Upton. So we are lucky
204 -- I am lucky to call Tony Clark my friend, and we are lucky
205 to have him here. From 1994 to '97, he was in the North
206 Dakota House of Representatives. He was the North Dakota
207 labor commissioner in -- for two years in '99 and 2000. He
208 was the North Dakota public service commissioner from 2001 to
209 2012, and he was a FERC commissioner from 2012 to 2016. If
210 anyone -- and North Dakota is obviously an energy producing
211 state. If anybody can talk about the state, federal, local,
212 public/private partnerships and how we move the ball forward
213 in these areas, Tony Clark is it.

214 He has been fantastic for the state. He has been
215 fantastic for the country, and his expertise will be much
216 needed today. And with that, I'll yield back.

217 *Mr. Upton. Yield back, Mr. Chairman.

218 *Mr. Rush. The gentleman yields back. Now the chair
219 recognizes Mr. Pallone, the chairman of the full committee,
220 for five minutes for -- of an opening statement.

221 *The Chairman. Thank you, Chairman Rush. Today we
222 continue our series of legislative hearings on H.R. 1512, the
223 CLEAN Future Act, which I introduced with Chairman Rush and

224 Tonko to address the climate crisis and get us to a hundred
225 percent clean economy no later than 2050. One of the most
226 important steps to combat the climate crisis is to make our
227 power grid cleaner and more reliable. Today's hearing
228 focuses on provisions of the CLEAN Future Act and three other
229 bills that support building a resilient electric transmission
230 system to deliver clean, low-cost power from remote regions
231 of the country to America's cities, towns, and industry. And
232 simply put, we will not be able to meet our clean energy
233 goals unless we build more transmission. I believe that the
234 need to responsibly build more electric transmission is an
235 issue that can unite Democrats and Republicans. After all,
236 electric transmission delivers the inexpensive electricity
237 that powers American industry and employs hundreds of
238 thousands of American workers.

239 Despite these benefits, we have not yet done enough to
240 ensure our transmission system is equipped to handle the
241 challenges of the 21st Century as we deploy more offshore
242 wind along our coast, building the necessary transmission to
243 hook this new generation to the grid will be a crucial step.
244 Furthermore, extreme weather events like the current
245 unprecedented heatwave in the Pacific Northwest and the cold
246 snap that brought down the Texas grid earlier this year
247 basically remind us of the continuing need to invest in our
248 transmission system.

249 The CLEAN Future Act makes those investments to
250 modernize the grid and ensure that all Americans have access
251 to clean, reliable power at a reasonable cost. As we work to
252 build out this essential infrastructure, however, we must
253 make sure we do so responsibly and don't build more than
254 what's needed. New and innovative technologies can allow us
255 to use our existing transmission infrastructure more
256 efficiently.

257 Transmission planning processes can make -- can be made
258 more transparent to the public, allowing us all to better
259 understand how new transmission needs are identified. And
260 these and other measures will help protect ratepayers from
261 unnecessary and excessive transmission infrastructure cost
262 that we don't really need. So the CLEAN Future Act includes
263 key provisions that recognize the critical role transmission
264 has to play in powering a clean energy economy, combatting
265 the climate crisis, improving reliability, and creating jobs
266 for Americans. And it does all of this while also making
267 sure we do not overburden ratepayers with unnecessary cost.

268 The legislation calls upon FERC to reform its processes
269 to require interregional transmission planning to support the
270 integration of renewable energy resources. It also bolsters
271 federal authority to require permitting for certain
272 interstate transmission lines that will bring clean and low-
273 cost energy to consumers. And it provides financial and

274 technical assistance to state, local and tribal governments
275 to help with the permitting and siting of interstate
276 transmission lines.

277 In addition to the CLEAN Future Act, we'll also consider
278 three bills introduced by my colleagues, Representatives
279 Peters, Castor, and Casten. And I want to thank them for
280 their hard work on these bills. If we put the right policies
281 in place, I believe electric transmission can help us tackle
282 the climate crisis and build the clean, prosperous and
283 affordable energy future.

284 [The prepared statement of The Chairman follows:]

285

286 *****COMMITTEE INSERT*****

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288

289 *The Chairman. And now I'd like to yield the remainder
290 of my time to the gentlewoman from Florida, Representative
291 Castor.

292 *Ms. Castor. Well, thank you, Chairman Pallone.

293 Members, this is one of the most important hearings that
294 we have had in this committee because America's electric grid
295 is in need of major investments. And we have got to work
296 together to modernize and strengthen the grid. Doing so will
297 create a huge number of jobs. It will help lower our
298 electric bills for our neighbors back home.

299 It will cut pollution. It will improve our health, will
300 help us expand clean energy so that we can avoid the
301 catastrophic impacts of the climate crisis. So I want to
302 thank Chairman Pallone and Chairman Rush very much for
303 including two of my legislative proposals today.

304 First, the Transmission Siting Assistance Program is
305 Section 218 in the CLEAN Future Act. It would provide
306 technical assistance to -- and economic incentives to states
307 and local communities as carrots to encourage them to do a
308 better job of planning and approving new interstate
309 transmission lines. And second, H.R. 4027, the Efficient
310 Grid Interconnection Act, would speed up connecting new clean
311 energy projects to the existing grid and ease transmission
312 congestion. This bill is supported by a large coalition of
313 business and environmental groups, and I thank them for their

314 support. I anticipate that many of our colleagues will hear
315 from them and thank you very much. And I yield back by time.

316 *The Chairman. And Mr. Chairman, I yield back as well.

317 *Mr. Rush. The gentleman yields back. The chair now
318 recognizes Ms. Rodgers, the ranking member of the full
319 committee, for five more minutes for the purpose of an
320 opening statement.

321 *Mrs. Rodgers. Thank you, Chairman Rush. What's
322 becoming increasingly clear to people across this country
323 over the last year is that the role -- the role of state and
324 federal policies that jeopardize affordable, reliable energy
325 and power, keeping the lights on is needed for a prosperous
326 society and vital for our health and safety. It is key to
327 our quality of life and lifting people out of poverty.

328 Policymakers should not lose sight of that. And it's
329 not just about keeping the lights on. Right now in Eastern
330 Washington and across the Pacific Northwest, it's about
331 keeping the fans and the air conditioning on too. We are
332 currently experiencing an extreme heat wave. There are
333 emergency cooling centers open in my hometown in Spokane
334 where temperatures are hovering around 110.

335 Last night, one of the major utilities in the area
336 notified customers of mandatory outages because it was seeing
337 the second highest level of demand over the past year. We
338 aren't strangers to extreme weather in the Pacific Northwest.

339 These weather events have solidified the importance of
340 reliable power.

341 This past winter, Washington State had harmful deep
342 freezes that drove up energy demand. Fortunately, the Four
343 Lower Snake River Dams boosted hydroelectric power to meet
344 the need. They picked up the slack when one of the largest
345 dams in the Columbia River system had to shut down, reducing
346 the harmful impact of serious power shortages.

347 Yet even in Washington State, we face calls to dismantle
348 these important clean energy sources for the sake of radical
349 agendas that fail to prioritize the delivery of power for
350 people. When these policies undermine affordable, reliable
351 delivery of energy and power, serious harms to public health
352 and safety can follow. The heat has not been isolated to the
353 Pacific -- Pacific Northwest.

354 In recent weeks, both California and Texas electric grid
355 operators have urged people to conserve electricity as heat
356 waves threaten supply. Last month, the North American
357 Electric Reliability Corporation, NERC, issued its summer
358 reliability assessment. This report said California is at
359 risk of energy emergencies during normal summer demand and
360 high risk if weather events cause above normal demand across
361 the West. We are seeing that happen now. Texas, the upper
362 Midwest, and New England are at risk if there is a major
363 weather event driving up power demand according to this

364 report. As these examples indicate, we are witnessing an
365 electricity reliability crisis slowly unfold across large
366 regions of the country. And much of this can be traced back
367 to state environmental and federal regulatory policies from
368 renewable energy standards to electricity market regulatory
369 structures that drive out traditional baseload generation
370 assets.

371 Meanwhile the left's rush to green agenda doubles down
372 on wind and solar and building lots more transmission. To
373 meet the administration's emissions targets, the push is for
374 massive electrification on an unprecedented scale and pace
375 for the next 15 years. And it would amount to a construction
376 program 600 percent larger than any utility buildout that we
377 have seen in the last half century.

378 You cannot do this without extraordinary mandates and
379 costs on workers and families. That's why it seems
380 unrealistic, unattainable. Testimony before the committee
381 has already outlined the growing public resistance to siting,
382 permitting, and building new transmission. Today, building
383 new transmission can take 15 years or more, and there are
384 several examples of key projects running into opposition,
385 which brings us to the CLEAN Future Act that will -- that I -
386 - I am concerned is going to take us backwards to a time
387 before reliable electricity and modern conveniences. There
388 are certainly practical reforms to consider for transmission

389 policy.

390 However, the rush to green incentives and mandates will
391 undermine reliability at a great cost. The bill seeks to
392 prioritize massive electrification and renewable buildout
393 without regard to the impacts on reliable and affordable
394 power. It seeks to make it easier to site transmission while
395 making it harder to build natural gas pipelines, which are
396 critical for renewables.

397 Also troubling is the rush to mandate regulatory
398 structures that prioritize renewables which are weather
399 dependent energy at the expense of traditional baseload and
400 dispatchable energy. Ladies and gentlemen, I am concerned
401 that we are creating an affordability crisis, as California-
402 style costs are spread to other regions of the country. This
403 is not the way that we move forward with affordable, reliable
404 power. This is not the way to move to a clean energy future.

405 We can lead the world in reducing carbon emissions with new
406 American innovation, without jeopardizing reliability and
407 affordable energy. With that, I yield back.

408 [The prepared statement of Mrs. Rodgers follows:]

409

410 *****COMMITTEE INSERT*****

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413 *Mr. Rush. The ranking member yields back. The chair
414 would like to remind members that pursuant to committee
415 rules, all members' written opening statements shall be made
416 part of the record.

417 I would now, at this time, like to welcome our first
418 witness for today's hearing, Ms. Patricia Hoffman, acting
419 assistant secretary of the U.S. Department of Energy. Ms.
420 Hoffman, welcome to today's subcommittee hearing, and you are
421 now recognized for five minutes for the purposes of an
422 opening statement.

423

424

425 STATEMENT OF PATRICIA HOFFMAN, ACTING ASSISTANT SECRETARY,
426 OFFICE OF ELECTRICITY, U.S. DEPARTMENT OF ENERGY

427

428 STATEMENT OF PATRICIA HOFFMAN

429

430 *Ms. Hoffman. Thank you, Chairman Rush, Member Upton,
431 distinguished members of the subcommittee. I appreciate
432 being here in person as well. I do appreciate the
433 opportunity to testify on behalf of the Department of Energy
434 on the role of transmission and achieving the Biden-Harris
435 Administration's clean energy goals. The department's
436 authorities related to transmission infrastructure, including
437 new authorities that have been proposed in the committee's
438 CLEAN Future Act and other legislation.

439 Modernizing and expanding the electric transmission grid
440 could unlock access to cleaner, lower-cost energy for
441 consumers and businesses while improving the reliability and
442 resilience of the electricity delivery in the face of extreme
443 weather and supply disruptions. President Biden has
444 established the ambitious climate goals of carbon pollution
445 free power sector by 2035 and a net zero greenhouse gas
446 emission economy by 2050.

447 Building up the nation's electric transmission system
448 will play a key part in achieving these goals. An
449 independent analysis by the Americans for a Clean Energy Grid

450 confirms the importance of investing in our electricity grid.

451 It identifies more than 20 major transmission projects that
452 may be poised to move forward, potentially creating more than
453 600,000 new transmission-related jobs and an additional
454 640,000 jobs from new clean energy generation projects.

455 The most economically attractive and potential renewable
456 resources are typically located in geographical areas that
457 are remote from demand centers. Therefore, promoting the
458 shift towards clean power sector does require investment in
459 critical enabling infrastructure such as transmission to
460 increase the access to renewable resources.

461 Such investments in transmission infrastructure include
462 increasing the capacity of existing lines, minimizing
463 transmission losses through the use of new technologies,
464 building long-distance high-voltage transmission lines.
465 Recent research shows that over 755 gigawatts of generation
466 capacity is seeking transmission interconnection. But
467 failure rates and wait times suggests growing interconnection
468 and transmission challenges. There have been calls for
469 interconnection reform and changes to the broader
470 transmission planning process.

471 In addition to supporting new clean energy -- in
472 addition to supporting the clean energy transition, a robust
473 transmission system further enhances grid reliability and
474 resilience. Investment in replacing, upgrading and expanding

475 transmission infrastructure will help minimize power outages,
476 protect the grid against climate-induced extreme weather,
477 restore electricity more quickly when outages occur, but most
478 importantly, expanding transmission capacity improves the
479 resilience and flexibility of the energy system by creating
480 more numerous energy delivery pathways.

481 The Office of Electricity is specifically looking at how
482 to support operational efficiencies and flexibility within
483 the delivery system in support of the administration goals
484 through the development and demonstration of improved
485 sensors, flow control and flexible technologies such as
486 energy storage.

487 The department has several critical tools that have
488 already been authorized by Congress to aid in the development
489 of transmission. Moving to accelerate transmission
490 development through the use of existing authorities and
491 available funding is key. Transmission projects
492 particularly, with appropriate stakeholder engagements, can
493 take years of development time. And the appropriate process
494 to engage the authorities will take time as well.

495 Additionally, the department has authorities to help
496 finance transmission projects. The Department of Energy's
497 Loan Program Office and WAPA Transmission Infrastructure
498 Protection Program are efforts that can expand and improve
499 the nation's transmission grid.

500 While tools are available from Congress and have been
501 provided by the department to overcome barriers, additional
502 actions outlined in the President's budget and the American
503 Jobs Plan can make a difference. The department also
504 recognizes this committee has put forth a number of
505 additional policy proposals to address barriers to
506 transmission development.

507 As the committee considers this policy, the department
508 recommends several areas for consideration, increasing the
509 capacity, accelerating interconnection, and planning for
510 interregional transmission. In conclusion, a secure and
511 resilient power grid is important to preserving our economy,
512 and I thank you for your time, and I look forward to your
513 questions.

514 [The prepared statement of Ms. Hoffman follows:]

515

516 *****COMMITTEE INSERT*****

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518

519 *Mr. Rush. Thank you, Secretary Hoffman. We will now
520 move to members' question. Each member will have five
521 minutes to ask questions of our witness. And now it's time I
522 -- recognizing myself for five minutes.

523 Ms. Hoffman, as you stated in your testimony, President
524 Biden has established a mission in climate and clean energy
525 goals. These goals which closely align with the committee's
526 climate plan, the CLEAN Future Act, involve a -- power center
527 and emission-free economy by 2050. In your learned opinion,
528 how will the development and employment of transmission
529 infrastructure support the achievement of these goals?

530 *Ms. Hoffman. Thank you, Congressman, for the question.
531 The benefits of transmission is very broad in nature. It
532 will support the clean energy deployment, but it will also
533 support the reliability and resilience of our nation's
534 infrastructure. With respect to clean energy deployment,
535 transmission will allow us to access remote renewable
536 resources, bringing those resources from remote areas to
537 cities and the demand centers. With respect to clean energy,
538 it will allow us to access all forms of clean energy,
539 including nuclear energy, and best be developed where they
540 are most promising.

541 *Mr. Rush. Ms. Hoffman, as you know, the Biden-Harris
542 Administration's Justice40 Initiative is a plan to invest 40
543 percent of climate-related funding into undisturbed and

544 disadvantaged communities. What is the Department of
545 Energy's plan to incorporate the Justice40 initiative in its
546 work to deploy electric transmission?

547 *Ms. Hoffman. Thank you, Congressman. Justice40 is a
548 very important activity that really takes a look at
549 communities and ensuring that communities are not affected by
550 transmission or projects that will disadvantage communities.

551 And 40 percent of the benefits must flow to those
552 disadvantaged communities. The secretary has made this a
553 priority as part of the administration and part as the
554 department. She created an Office of Energy Justice. And I
555 do look forward, as we implement transmission projects in the
556 United States, that we concentrate on providing services to
557 disadvantaged communities but also participate in economic
558 development.

559 *Mr. Rush. In terms of your economic development, does
560 this -- and can you elaborate on the business opportunities
561 that might emanate from Justice40 and also job creation
562 opportunities. But I am particularly interested in creating
563 or -- and/or expanding minority businesses using this --

564 *Ms. Hoffman. So thank you, Congressman. As we look at
565 building transmission in the United States, it will be a job
566 creator and such that we hope to engage construction jobs,
567 jobs in the utility workforce, and jobs in the service
568 industries. And this provides an opportunity to really

569 access all forms of workers, local community engagement and
570 transmission projects. And so this effort will really
571 hopefully continue to build that economic development in
572 states and regions, allowing for continued economic growth
573 and jobs.

574 *Mr. Rush. Ms. Hoffman, how does it -- when the
575 Department of Energy view its role in advancing the
576 deployment of electric transmission and, to be more specific,
577 how will it work with other agencies toward these ultimate
578 goals?

579 *Ms. Hoffman. Thank you very much for the question.
580 The department actually has several programs and authorities
581 for implementing transmission. Some of the programs really
582 start out from a financing perspective. We have authority
583 through the Loan Program Office as well as through the WAPA
584 transmission infrastructure investment program to finance and
585 to put borrowing authority for transmission projects.

586 In addition, the department also provides technical
587 assistance to the states as well as coordination of
588 permitting across the federal agencies. One example of how
589 the department is collaborating and coordinating with other
590 federal agencies is the President's goal for offshore wind.
591 The President has a goal of 30 percent -- 30 gigawatts of
592 offshore wind by 2030. And this is a partnership between the
593 Department of Energy, Department of Commerce, and Department

594 of Interior looking at the Bureau of Ocean Energy Management,
595 BOEM, to really look at transmission development offshore in
596 the United States.

597 In addition, the Department of Energy, in partnership
598 with the Department of Transportation, is looking at the
599 opportunities for transmission right of ways, and that has
600 been identified as a significant opportunity to minimize some
601 of the permitting challenges moving forward as we look at
602 siting transmission lines.

603 *Mr. Rush. Well, thank you, Ms. Hoffman. And that
604 concludes my time. And I now yield to my good friend and
605 colleague, the gentleman from Michigan, the ranking member of
606 the subcommittee, Mr. Upton, for five minutes.

607 *Mr. Upton. Well, thank you again, Mr. Chairman. Ms.
608 Hoffman, again, thank you for being with us today. You know,
609 I think we are all concerned about the process for building
610 new electric transmission. I think many of us would say that
611 it is painfully slow, can take a decade or more to get
612 through all the regulatory hurdles, environmental permitting.

613 So as you think about some estimates that we got to
614 triple the size of transmission system by 2050 in order to -
615 to get to where -- where people want -- might want to be. As
616 we look to modernize the electric grid and expand the
617 transmission system, I want to make sure that the planning
618 decisions are driven from the bottom up by state and locals

619 rather than federal mandates. So as you look at this, the
620 CLEAN Future Act, I don't know if you have examined Section
621 220, which would mandate states and utilities to place their
622 transmission under the control of RTOs and ISOs. Is that
623 something the administration supports?

624 *Ms. Hoffman. So thank you. Thank you, Congressman
625 Upton, for the question. I think participation in ISOs and
626 RTOs is really a decision that comes under the jurisdiction
627 of FERC as well as decisions by the state for their
628 participation.

629 States will have to evaluate the cost-effective benefits
630 with respect to their participation. To the extent possible,
631 the RTOs and markets provide cost-effective and competition.
632 In the electric sector, this is an important consideration.
633 And so the Department of Energy is more than willing to
634 provide assistance to the states as they evaluate and
635 consider their role and their interest in participation of --
636 in RTOs.

637 *Mr. Upton. Well, I know that you just mentioned that
638 have a dramatic increase in offshore wind. It's probably
639 going to require -- what -- thousands turbines, wind
640 turbines?

641 *Ms. Hoffman. Potentially. I --

642 *Mr. Upton. Yeah.

643 *Ms. Hoffman. I will have to --

644 *Mr. Upton. I --

645 *Ms. Hoffman. It's 30 gigawatts.

646 *Mr. Upton. You got the number.

647 *Ms. Hoffman. So it's a lot.

648 *Mr. Upton. So I -- I just -- I mean, what's the
649 expectation on -- you know, it's -- you see regionally. You
650 look at California in terms of, you know, what's going on
651 with the -- with the fires. You look at some of the
652 opposition by different groups that are out there in terms of
653 new lines to be built. You know, how in the world are we
654 going to get to that number, increasing the -- triple the
655 size of the transmission size and look at, you know, these
656 new technologies when, in fact, the current siting, you know,
657 it's -- it -- it's hardly a hard knife through butter as we
658 try to cut through these regs to try and get them done. How
659 can you help us?

660 *Ms. Hoffman. So interregional transmission is
661 difficult. And it is going to work --

662 *Mr. Upton. Been impossible.

663 *Ms. Hoffman. Near impossible. It is going to require
664 close coordination with the states. It's going to require a
665 multi-pronged strategy from my perspective in order to
666 achieve some of the goals that have been presented by the
667 President. We really need to upgrade the existing
668 infrastructure in the United States so increase capacity and

669 efficiency on the transmission system. We have to look at
670 utilizing existing rights of ways, and we have to think about
671 a national plan for interregional transmission projects and
672 really look at the states and what they have done for their
673 10-year plans. But also, how can we integrate that so that
674 we actually can address transmission across the United
675 States? So it will require our collaborative approach and a
676 collaborative process with the states to think about the
677 transmission needs where we'd like to develop the next
678 generation clean generation resources and how to get all that
679 built in a holistic fashion.

680 *Mr. Upton. Well, I'd like to think that, you know, the
681 infrastructure bill that's a lot of different proposals that
682 are out there, but I would like to think that the one that
683 ultimately gets signed, it will have bipartisan support,
684 would include resources to -- to help the resilience of a
685 grid, not only electric but also with -- with gas in terms of
686 pipelines to make sure that we see that happen.

687 Does it -- department support Section 213 of the CLEAN
688 Future Act which creates a federal siting program for
689 electric transmission, and would you support the same for gas
690 transmission?

691 *Ms. Hoffman. So a federal siting program is really
692 under the jurisdiction of FERC from their capabilities and
693 their experience with respect to siting pipelines and

694 transmission lines. From the Department of Energy's
695 perspective, what we really want to do is actually
696 collaborate with the states to think about where transmission
697 should be built. And in that dialog, we are hoping that
698 we'll be able to facilitate constructive conversations on how
699 to best site transmission lines. What are some of the
700 alternatives for siting transmission lines such as non-
701 transmission alternatives? And so that technical assistance
702 that we could provide as part of the conversation would be
703 very important in leading to some of FERC's conversations
704 from a siting perspective.

705 *Mr. Upton. Well, I know my time has expired, but I
706 just hope that the department could work with us as we try to
707 get through this nightmare of regulatory burdens that will
708 really prevent us from expanding transmission and nowhere get
709 close to the -- tripling the size of the transmission system
710 by 2050 without those reforms. And with that, Mr. Chairman,
711 I yield back.

712 *Mr. Rush. The gentleman's time has expired. The chair
713 now recognizes the chairman of the full committee for five
714 minutes.

715 *The Chairman. Thank you, Chairman Rush.

716 Ms. Hoffman, in your testimony, you not only address
717 transmission's role in achieving a hundred percent clean
718 economy, but you also state that transmission can protect the

719 grid against climate induced extreme weather. So can you
720 elaborate on the role that transmission plays in protecting
721 the grid against extreme weather and in maintaining the
722 reliable delivery of power to U.S. homeowners and businesses?

723 *Ms. Hoffman. Thank you, Congressman. It's really
724 important as we build transmission to recognize that
725 modernizing our electric grid is important to reliability and
726 resilience. In the electric sector, transmission but also
727 other grid modernization technologies has been helpful, very
728 helpful in the past as we looked at our response to
729 emergencies when you look at sensors on the transmission
730 system, outage management systems.

731 But specifically you asked about transmission.
732 Transmission really -- what that does is it allows power flow
733 when power is available in one region of the country but may
734 not be available to either weather issues or extreme weather
735 issues that have occurred in the United States. So what
736 transmission does is it allows us to utilize that diversity
737 of generation across the United States to support outages.

738 *The Chairman. And then -- well, thank you. As my home
739 state of New Jersey learned during Superstorm Sandy and --
740 and other states such as Texas have learned more recently,
741 it's critical that we have a reliable transmission system
742 that can withstand climate change-induced extreme weather
743 events. You also provided recommendations for the committee

744 on barriers to transmission development. And one of those
745 recommendations is to increase the use of our existing system
746 in the near-term using advanced transmission technologies,
747 among other things.

748 And in the CLEAN Future Act, we include a provision that
749 supports deployment of such advanced transmission
750 technologies as well as non-transmission alternatives. So
751 going forward, what additional policies would support the
752 efficient use of our existing transmission system, and what
753 role could the DOE play in supporting the deployment of these
754 important technologies, if you will?

755 *Ms. Hoffman. Thank you, Congressman. Transmission
756 technologies and grid-enhancing technologies, as well as non-
757 transmission alternatives are really important tools and
758 policies that can be utilized in support of our nation's
759 infrastructure. So technologies such as energy storage,
760 technologies as energy efficiency are all part of the
761 holistic picture that one needs to consider as we invest in
762 the future of the United States. So as I look at it, it's
763 better utilizing the capacity on existing lines. It's
764 deployment of energy storage. It's looking at energy
765 efficiency measures, demand response measures. All these
766 will play an important contribution. And the policies that
767 are driven by the states in emphasizing the need for whether
768 it's demand response technologies and energy storage will -

769 will aid in that conversation.

770 *The Chairman. Thank you. I have one more question.
771 And in your written testimony, you also describe the
772 important role that DOE plays in coordinating federal
773 authorization decisions on electric transmission facilities,
774 including environmental reviews. And the CLEAN Future Act
775 proposes that DOE establish a transmission siting assistance
776 program to assist states, localities, and tribes in their
777 efforts to study and site new transmissions. So do you think
778 DOE, through this proposed transmission siting assistance
779 program, can play an effective role in facilitating the
780 siting and development of additional transmissions?

781 *Ms. Hoffman. So siting is a challenging issue. And
782 technical assistance to the states is an important area in
783 which the Department of Energy can add value to the
784 conversation. With respect to siting, technical assistance
785 and incentives could be provided to look at cost-benefit
786 analysis, look at where alternative routes can be done, can
787 also look at evaluating non-transmission alternatives as we
788 just discussed. So providing that technical assistance will
789 allow the states to really evaluate the potential benefits of
790 transmission projects and looking at how we invest
791 collectively in our transmission moving forward.

792 One of the things that the coordination and siting would
793 allow would be a greater collaboration and discussion on

794 interregional transmission projects. And that is really
795 where some of the challenges occur, is really doing multi
796 state projects and interregional projects.

797 *The Chairman. Well, thanks again for your response to
798 the questions, and we really look forward to working with you
799 in DOE as we try to pursue our clean energy goals. It's so
800 important. Thank you. I yield back, Mr. Chairman.

801 *Mr. Rush. The Chairman of the full committee yields
802 back. The chair now recognizes the ranking member of the
803 full committee, Ms. McMorris Rodgers, for five minutes.

804 *Mrs. Rodgers. Thank you, Mr. Chairman.

805 Ms. Hoffman, I believe very strongly in the importance
806 of diverse supply to meeting our energy needs, the importance
807 of an all-of-the-above approach to energy. You know, just --
808 just earlier this year in February, we were without
809 electricity for several days in Spokane, and I was reminded
810 how great it was at the time when electricity was out that
811 still the natural gas stove worked in our house, and we could
812 -- we could cook and having a car battery to charge some of
813 our other devices came in handy. But I -- I just wanted to
814 ask about the importance of hydroelectric -- hydroelectricity
815 in particular in the Pacific Northwest and in state of
816 Washington. It's really important baseload. It's
817 affordable. We have some of the lowest electricity rates in
818 the country because of hydropower. And as we continue to

819 move with more wind and solar, it is -- it's that important
820 baseload that we so -- we need.

821 I noted in my testimony that the Four Lower Snake River
822 Dams came to the rescue this winter during a deep freeze when
823 we had lost access to the Chief Joe Dam on the Upper Columbia
824 River. And they stepped up to provide that energy that we
825 needed. So I wanted to ask would you speak to the importance
826 of hydropower, especially on the Lower Snake River, and for
827 electric reliability and emergency use?

828 *Ms. Hoffman. Thank you, Congresswoman. Hydropower is
829 a very important asset as we look at providing generation
830 that will provide flexibility moving forward. We have to
831 have generation that can support the variability of renewable
832 energy. And hydropower in the West is one of the key
833 resources that provides that flexibility and variability.
834 And so having hydropower assets are a very important part of
835 our portfolio from a system reliability perspective,
836 recognizing that we do need diversity of our generation
837 assets. As you have pointed out, there is drought conditions
838 in the West, which is putting great stress on our hydropower
839 system. And so as we move forward, we need to think about
840 investment in energy storage technologies and other
841 technologies that will continue to support the system moving
842 forward. But hydropower as a core element is a -- is a very
843 important --

844 *Mrs. Rodgers. Thank you.

845 *Ms. Hoffman. -- generation resource.

846 *Mrs. Rodgers. Part of expanding access to hydropower
847 and updating the -- the federal licensing requirements?

848 *Ms. Hoffman. So I think that's an important
849 conversation that the Department of Energy should have with
850 Congress on the value of hydropower and hydropower expansion.
851 Some of the programs within the Department of Energy is how
852 do we maximize utilization of the existing hydropower fleet
853 that we have with respect to whether it's more power through
854 the turbines, more efficiency investments in the hydropower
855 assets. But I do look forward for the department having
856 further conversations with the right folks on the hydropower
857 relicensing.

858 *Mrs. Rodgers. With the buildout of the weather
859 dependent wind and solar, I think hydropower, again, is
860 stepping up and is really ideal for a black start. With
861 plans to interconnect with more renewables into the grid, how
862 important are attributes like black start capability in the
863 event of a major power outage?

864 *Ms. Hoffman. Black start capabilities are very
865 important as well as, I would say, essential reliability
866 services, which really includes ramping services and other
867 forms of support for the system. So hydropower is a very
868 important contribution to black start capabilities for the

869 United States.

870 *Mrs. Rodgers. Thank you. I wanted to ask a general
871 question about DOE's own assessments of transmission delays.
872 In 2016, DOE issued a report on issues delaying transmission
873 siting. It noted that NEPA processes involving multiple
874 agencies raise a lot of institutional issues that can raise
875 costs and delays for final approval. Would you tell us if
876 anything has changed with regard to the interagency
877 coordination since DOE issued the report in 2016?

878 *Ms. Hoffman. Since 2016, I would say that there is a
879 greater appreciation of the need for coordination among the
880 federal agencies for transmission permitting in the NEPA
881 processes. There has been a permitting dashboard and a
882 federal interagency permitting steering committee that really
883 has taken a hard look at some of these NEPA coordination
884 issues. Would I say that it's perfect? No. There is a lot
885 of institutional and agency authorities that still could use
886 better coordination. But it is a work in progress, and it's
887 something that we really need to focus on moving forward if
888 we are going to make a difference from a permitting point of
889 view.

890 *Mrs. Rodgers. Well, I appreciate you highlighting that
891 because permitting is -- is a key challenge to meeting these
892 needs that we are going to have for transmission
893 capabilities. And with that, I'll yield back. Thank you,

894 Mr. Chairman.

895 *Mr. Rush. The ranking member yields back. The chair
896 now would like to recognize the gentleman from California,
897 Mr. Peters, for five minutes for the purpose of questioning
898 the witness.

899 *Mr. Peters. Thank you, Mr. Chairman. This -- this is
900 what I wanted to ask about too, is that in your written
901 testimony, Ms. Hoffman, you recommend that Congress look for
902 ways to accelerate developers' ability to site, permit,
903 allocate costs, and build. Can we achieve the
904 administration's 2035 clean electricity target without
905 authorizing FERC's backstop siting authority, leaving it to
906 states and the way it is now in this kind of patchwork way?
907 Doesn't the federal government need to step in and help that
908 process work?

909 *Ms. Hoffman. So Congressman, thank you for the
910 question, and I think it's a very important question. The -
911 Energy feels that we can do a lot with the existing
912 authorities that we already have from the loan guarantee
913 programs and the WAPA TIP programs to getting transmission
914 built to deploy new technologies, to expand the capacity on
915 the existing system. The department also believes that
916 through an integrated transmission planning process, we can
917 advance how we should look at and build high-voltage
918 transmission moving forward in a collaborative fashion with

919 the states.

920 The department also recognizes there is strong movement
921 within the states. As we look at numerous states, I believe
922 19 states have net zero targets as well as there are other
923 states out there that actually require utilities to invest in
924 clean energy. So I feel there's a lot of movement with the
925 existing authorities that can be utilized as coordinated and
926 facilitated by the department and other agencies to move and
927 meet some of the objectives.

928 *Mr. Peters. Do you not think it would be helpful to
929 have backstop authority? Because what we have, we have a
930 system now that designates these corridors, and nothing has
931 been built.

932 *Ms. Hoffman. So I think the challenge really comes
933 down to when there is disagreement with the states --

934 *Mr. Peters. Right.

935 *Ms. Hoffman. -- in interregional transmission projects
936 that have more than one state engaged. So at the end of the
937 day, there are a couple options that Congress can consider
938 moving forward. It's really looking at the state compacts
939 provide value in getting transmission built from a
940 collaborative point of view, and can we be successful from a
941 bottoms-up approach in building transmission? Some of the
942 state technical assistance are opportunities and really
943 getting some of those multi-state projects built. And then

944 ultimately, it would require a decision to say do we need
945 this transmission line if there is disagreement among the
946 states.

947 And I think the most important thing is having some sort
948 of certainty in which some of the -- the bills that have been
949 proposed will allow for an ultimate decision process and an
950 ultimate decision to be made on a transmission project
951 versus, I think, the back-and-forth that continues to go on
952 delaying the building of interregional projects.

953 *Mr. Peters. Right. I think, as you have outlined for
954 purposes of not just renewable energy but for reliability and
955 for cost, there is a national interest in interstate
956 transmission. Don't you agree with that?

957 *Ms. Hoffman. Yes, there -- there is a need for
958 interregional transmission just to support the seams in the
959 United States. You look at the event that has occurred with
960 the polar vortex in February, of strengthening those seams
961 that are important but also just getting generation from
962 remote areas of the country, clean generation to the demand
963 centers. And so that's what we really need to think about
964 from that perspective in a support -- in addition to
965 supporting a strong grid, which really means capacity that
966 will allow for reliability during emergency events.

967 *Mr. Peters. Capacity, reliability, security are all
968 things that we are concerned about in this committee, and I

969 would also say that I am -- I agree with many of my
970 colleagues, Republican colleagues, that permitting sometimes
971 gets in the way. Here is a place where permitting has not
972 established this nationwide network that I think we all agree
973 we need. So that is why we introduced the POWER ON Act to
974 help DOE achieve those goals. We'd ask you to take a look at
975 that and -- and we think that if it is in the national
976 interest, we should give states and tribes and localities and
977 interest groups the chance to work this out on their own.

978 But also, they should know that if they don't that the
979 federal government would have the ability to come back in and
980 do it. So that's a -- I think would be useful in helping you
981 achieve your goals and all of us achieving our goals as well.

982 Thank you, Mr. Chairman. I yield back.

983 *Mr. Rush. The gentleman yields back. The chair now
984 recognizes the gentleman from Ohio, Mr. Latta, for five
985 minutes.

986 *Mr. Latta. Well, thanks, Mr. Chairman, and first I
987 want to thank the witness for being with us today. It's
988 great to actually see a witness before us and not on-screen.
989 So it's great to have you with us today. Really appreciate
990 that. In your testimony, you spoke about enhancing grid
991 reliability and resiliency through a robust transmission
992 system. You also touched on transmission, how it can help
993 with extreme weather events, environmental justice and

994 economic development.

995 One area that you didn't touch on that I think is really
996 important to talk about, and we know how important it is. I
997 know I have worked on issues with my good friend from
998 California, Mr. McNerney, on these, you know, improving the
999 resiliency of the grid when we are talking about cyber-
1000 attacks. And I think it's important that that's one of the
1001 points that we need to really be looking at. And so the
1002 incentives in the CLEAN Future Act are geared towards the
1003 integration of renewable resources of energy over the coming
1004 decades.

1005 But consumers will be immediately impacted through the
1006 electric grid if it's brought down by cyber criminals.
1007 Wouldn't you agree that the top priority should be preventing
1008 a household from being without power during a heat wave or
1009 cold front due to a cyber-attack?

1010 *Ms. Hoffman. So thank you, Congressman Latta, for the
1011 very important question. As you know, I have had plenty of
1012 experience, and I don't usually do a presentation without
1013 bringing up the cybersecurity issues. So I do believe
1014 cybersecurity is very important to address as part of
1015 building infrastructure and building in security measures as
1016 we develop clean energy or as we deploy new technology that
1017 the department has. We recognize that we must build in
1018 cybersecurity. We must test our supply chain components to

1019 ensure that they are analyzed for vulnerabilities and
1020 mitigations are in place.

1021 And we know we need to build a comprehensive workforce
1022 and I would say a new business, you know, enterprise in the
1023 United States to address cybersecurity issues. So they need
1024 to go hand-in-hand. As we develop any technology, we must
1025 consider some of the cybersecurity vulnerabilities, address
1026 the cybersecurity issues, and have that as part of the
1027 conversation.

1028 *Mr. Latta. Let me follow up what you just said because
1029 you said that we are -- we need to, you know, build this up
1030 in the United States and make sure that we are doing what we
1031 have to do to protect ourselves. Do you have, like, a time
1032 frame because I know you -- it's -- when I have talked at
1033 different universities and schools in my district, one of the
1034 things that, you know, they always ask me if you are going to
1035 develop a new program, would it be -- and several years back,
1036 I said cyber. It's so important that we are there today and
1037 to be there.

1038 But when you are looking at -- from your seat and, you
1039 know -- and building this up across the country and knowing
1040 the attacks -- the millions of attacks that we are
1041 experiencing in this country, how fast can we get that built
1042 up to be able to be, you know, on the cyber side that we can
1043 protect ourselves?

1044 *Ms. Hoffman. So I think it is partly -- I would say
1045 the relationship is dependent on how much resources is put -
1046 that is put towards cybersecurity issues. And I think the
1047 balance is companies, businesses, universities really need to
1048 think about how do they want to change and institutionalize a
1049 culture of cybersecurity as they develop their products, as
1050 they do their business models. And I think the ransomware
1051 attacks of recent have really identified the emphasis that
1052 our -- that is needed from a business point of view to really
1053 take a hard look at cybersecurity, look at their
1054 cybersecurity maturity level.

1055 There are tools out there with respect to the NIST
1056 cybersecurity framework and standards that are out there in
1057 the electric sector for building up cybersecurity. So I
1058 think it is all part of a culture that we need to change in
1059 the United States.

1060 *Mr. Latta. Well, let me ask this. You know, looking
1061 not just with -- from outside, what can we do here in
1062 Congress in reviewing, in a bipartisan manner, ways that we
1063 can prioritize hardening the grid against the cyber-attacks?
1064 What can we be doing right now?

1065 *Ms. Hoffman. So I think some of the efforts that
1066 really continue to be emphasized around Congress and also
1067 just a part of the community and industry writ large is
1068 building in cybersecurity and making sure that, as

1069 technologies is developed, cybersecurity is built in that
1070 technology as well as the components and devices are tested
1071 for cybersecurity vulnerability, that businesses have, what I
1072 will say, a quality assurance practice in place that they
1073 actually test their components.

1074 They collaborate with the agencies such as the
1075 Department of Homeland Security, the Department of Energy for
1076 intelligence information. And they look at continuing to
1077 build that partnership. Those are some of the areas that I
1078 think are really important. The last area I would say is
1079 monitoring of systems. To really understand your own
1080 network, you look at the hundred-day plan that was announced
1081 by the administration. Really emphasizes monitoring of
1082 business and networks. And that is another important
1083 characteristic that would be useful.

1084 *Mr. Latta. Well, thank you very much, Mr. Chairman. I
1085 yield back the balance of my time. My time has expired.

1086 *Mr. Rush. The gentleman's time has expired. The
1087 chairman now recognizes the gentleman from Pennsylvania, Mr.
1088 Doyle, for five minutes.

1089 *Mr. Doyle. Well, thank you, Mr. Chairman, and
1090 Assistant Secretary Hoffman. Welcome and thank you for being
1091 with us today. You know, as we continue to build a cleaner
1092 energy system, we need to ensure that all of the new sources
1093 of energy can be safely and efficiently moved around. Our

1094 transmission infrastructure, it's rarely mentioned when we
1095 talk about the future of the energy grid. But it's probably
1096 the most critical piece.

1097 That's why we have to invest in upgrading the system and
1098 ensuring it has the capacity to expand. The growth of
1099 renewables has only made building transmission infrastructure
1100 more important, given that they are intermittent, and it is
1101 produced in different regions at different times. I mean,
1102 power needs to get where it is created to where it is used in
1103 the most efficient way possible in order to provide low-cost
1104 energy to consumers.

1105 So a transmission buildout will enable us to take wind
1106 from the Plains and geothermal heat from the Southwest and
1107 hydropower from all across the country to where it's needed.
1108 And it will not only enable us to make the most efficient use
1109 of our energy sources but also ensure that customers are
1110 getting the most low-cost form of energy.

1111 So I was pleased to see the administration including
1112 building transmission infrastructure in the American Jobs
1113 Plan. And I hope we can move on my colleague's bills that
1114 will allow us to decarbonize the grid more efficiently while
1115 providing good jobs.

1116 Now, I know Chairman Rush already touched on how new
1117 transmission infrastructure helps us get more renewables on
1118 the grid and how it can give us opportunities for jobs. But

1119 another significant piece to bringing more renewables onto
1120 the grid is energy storage. And how do you see energy
1121 storage and the transmission system working together to
1122 maximize the efficiency of the grid?

1123 *Ms. Hoffman. So thank you very much, Congressman.
1124 That is an extremely important question as we look at the
1125 need for flexible generation in the United States. Energy
1126 storage is a key technology that allows for that flexibility.
1127 It provides different services of support for system
1128 operators from frequency regulation to ramping services. The
1129 need, I think, and energy storage technology development is
1130 really getting more towards that long duration energy storage
1131 going from eight-hour energy storage to 10 hours plus of
1132 energy storage.

1133 And I think that will provide the most flexibility for
1134 the system moving forward. But energy storage is a key
1135 component of the portfolio because that allows for that
1136 firming of variable generation in the United States.

1137 *Mr. Doyle. Yeah. Thank you very much for that.

1138 Well, Mr. Chairman, since Chairman Rush addressed two of
1139 the other questions I had for the assistant secretary, I will
1140 yield back two minutes and 11 seconds, and we'll -- this
1141 moving.

1142 *Mr. Rush. The chair certainly appreciates the kindness
1143 and generosity of the gentleman from the great state of

1144 Pennsylvania.

1145 Now the chair recognizes the gentleman from West
1146 Virginia, my good friend --

1147 *Voice. He's good.

1148 *Mr. Rush. -- McKinley for five minutes.

1149 *Mr. McKinley. Thank you, Mr. Chairman. And Ms.
1150 Hoffman, welcome back. It's good to see you in person again.

1151 But you made a -- you -- and earlier, you made a statement
1152 about the environmental justice issue. And I just wanted to
1153 touch on that just a little bit to see just where DOE is on
1154 that because you brought it up. And that was -- in their
1155 report, they say that this council is -- is in opposition to
1156 carbon capture, direct air capture, nuclear power, R&D. They
1157 are opposed to road improvements, pipeline expansion. Does
1158 DOE -- do you -- do you support this report?

1159 *Ms. Hoffman. So Congressman, thank you for the
1160 question. I will be honest. I don't --

1161 *Mr. McKinley. If you could, just --

1162 *Ms. Hoffman. -- know.

1163 *Mr. McKinley. -- a yes or a no because I have got
1164 other questions. You raised this question --

1165 *Ms. Hoffman. I -- I --

1166 *Mr. McKinley. -- so I am just trying to get back to it
1167 quickly.

1168 *Ms. Hoffman. I don't know the details of all those

1169 aspects that that report is sponsoring.

1170 *Mr. McKinley. Okay. I couldn't hear what your answer
1171 was. I am sorry. Now let me go further with it. We have
1172 already had -- so we are pivoting to a hundred percent
1173 renewables, and that's a good thing. I don't have a problem
1174 with that. But it is also going to involve, as you
1175 testified, the thousands of miles of more transmission line.

1176 I am just curious about as we pivot away from fossil
1177 fuels under this scenario, we have already had people testify
1178 for the American Action Forum and the IER, the Institute for
1179 Energy Research. You have already said that electric rates
1180 for consumers are going to go up 2- to \$4,000 a year. And
1181 Energy Future Initiative is already saying that it's going to
1182 cost thousands of jobs in Wyoming, North Dakota, Ohio, West
1183 Virginia, Pennsylvania, Alabama, and states all across the
1184 country, that it's going to cost jobs as we -- as we do this
1185 and switching over. And then we have already talked about
1186 the global CO2 levels, that they are not going to drop below
1187 where John Kerry said 350. Anything above 350 is a dangerous
1188 level. So we are not going to drop below that. And we have
1189 had testimony here that says even if we go to this hundred
1190 percent renewables, we are still going to have wildfires,
1191 droughts and -- and -- and wildfire and -- and flooding. I
1192 am troubled with this because our objective, all of our
1193 objectives is to reduce the greenhouse gases in the

1194 atmosphere. But to do that, we -- can't we rely on our
1195 science, our community to do this? We did this back in the
1196 '60s when President Kennedy said he wanted to put a man on
1197 the moon, and within 10 years, we did it.

1198 And then two years ago or a year ago when President
1199 Trump developed a vaccine or called for a development of
1200 vaccine, it happened within 10 months. So we have trusted
1201 our scientific community. I don't understand why we are
1202 exploring -- advocating through the administration,
1203 advocating the abandonment of fossil fuels when we see all
1204 the consequences that are -- job losses. The environment is
1205 not going to get any better. Our rates are going to go up. I
1206 don't understand it. Why aren't we -- why are we dealing
1207 with using our science to develop carbon capture. It's
1208 pretty fundamental with it. If we can get to this issue, for
1209 those interested in reducing greenhouse -- and for see a zero
1210 emission, I am with you on that goal. Shouldn't we be
1211 advocating for a hundred -- hundred percent emissions rather
1212 than a hundred percent of abandonment of fossil fuels across
1213 this country because we know the job impacts that's going to
1214 have and the rates is going to -- the impact it's going to
1215 have. And it's really not going to clean up the global
1216 environment. Why don't we invest in carbon capture? Why
1217 aren't you doing more on that?

1218 *Ms. Hoffman. So thank you, Congressman, for the

1219 question. As we look to go to a decarbonized society, we are
1220 going to have to tap all that science can offer with respect
1221 to development of carbon capture and storage, CCUS as part of
1222 the portfolio, nuclear energy as well as the deployment of
1223 clean energy technologies. Doing nothing is not an option as
1224 we move forward. We really need to think about those
1225 technologies.

1226 *Mr. McKinley. I don't think anyone is saying do
1227 nothing. Why you think we -- you are saying do nothing?

1228 *Ms. Hoffman. I just think we need to be more
1229 aggressive as we think about the technologies moving forward
1230 and what we can invest in now as well -- while we are doing
1231 the science and investing in capabilities for CCUS and to
1232 decarbonize our energy generation portfolio.

1233 *Mr. McKinley. Running out of time, so thank you for
1234 your -- your testimony, and I yield back the balance of my
1235 time.

1236 *Mr. Rush. The gentleman yields back. The chairman now
1237 recognizes the gentleman from the great state of California,
1238 Mr. McNerney, for five minutes.

1239 *Mr. McNerney. Well, I thank the chairman. I thank the
1240 witness for your expert testimony. You have been doing this
1241 for a long time. The -- in your testimony, you discussed
1242 existing authorities that the DOE currently has to facilitate
1243 the expansion of the transmission system such as Section 368

1244 of the Energy Policy Act of 2005. Can you discuss the extent
1245 to which this program has been utilized in the past and how
1246 we can help ensure that it is used to help overcome some of
1247 the siting and permitting challenges that we are seeing for
1248 large transmission projects?

1249 *Ms. Hoffman. So, yes, thank you. So a lot of the
1250 coordination with respect to federal siting does occur under
1251 216(h) of the Federal Power Act. And what that does is allow
1252 the Department of Energy and enables the Department of Energy
1253 to coordinate with other agencies on the permitting of
1254 transmission projects. In addition, Section 368 allows for
1255 the development of energy corridors on federal lands, which
1256 also will enable some of the, I would say, advancements of
1257 transmission.

1258 So the Department of Energy has worked in the past on
1259 both of these authorities to allow for federal coordination
1260 as well as energy corridor development in -- in -- with these
1261 authorities.

1262 *Mr. McNerney. Thank you. Well, in the CLEAN Futures
1263 Act as well as the American Jobs Plan, new authorities are
1264 introduced for the Department of Energy to expand the
1265 transmission systems even further. In particular, the
1266 American Jobs Plan announces the creation of a grid
1267 deployment authority which will help support the use of
1268 existing rights of way and other things. Can you discuss how

1269 the grid deployment authority could be used to support the
1270 goals of the CLEAN Futures Act?

1271 *Ms. Hoffman. Yes. Thank you, Congressman, for the
1272 question. With respect to the grid development authority
1273 that was proposed under the American Jobs Plan, what it is,
1274 is a way to really centralize and focus the Department of
1275 Energy's authorities with respect to financing transmission
1276 projects to coordination among the federal agencies to
1277 providing technical assistance. What that allows us to do is
1278 really emphasize and pull together all the authorities that
1279 the department has to really put a strong emphasis in moving
1280 things forward and getting projects done.

1281 *Mr. McNerney. Well, thank you. In your testimony, you
1282 state that wildfires pose an increasing threat on the
1283 country's electric infrastructure and that the Office of
1284 Electricity has been taking steps to educate utilities and
1285 offer capabilities. Each year, my district is forced to
1286 confront and prepare for increasing destructive wildfires.
1287 Drought, poor air quality and power outages are now expected
1288 to be intensified by climate change. Can you elaborate on
1289 what capabilities and technical solutions are available to
1290 deal with this new normal?

1291 *Ms. Hoffman. Thank you, Congressman. Wildfires is an
1292 ever-growing and more serious issue that the states are
1293 experiencing, especially with extreme drought conditions that

1294 the West is experiencing. Utilities are very focused on
1295 wildfires. The secretary has been consulting and discussing
1296 the wildfire concerns with utilities in the ISOs in the
1297 regions. The Department of Energy in April held a series of
1298 workshops with utilities highlighting some of the technical
1299 capabilities that the national labs have to offer. But with
1300 respect to wildfire, wildfire management, vegetation
1301 management is always core component.

1302 But in addition, DOE is looking at technologies such as
1303 sensors to help identify when faults occur on the system, to
1304 help clearly identify areas from an asset management point of
1305 view that can prevent wildfires. They are also -- we are
1306 also looking at artificial intelligence and machine learning
1307 to better quickly identify wildfires but also conditions,
1308 ground conditions that would enable wildfires to grow quickly
1309 versus being able to tackle them and manage them as soon as
1310 possible.

1311 *Mr. McNerney. Right. And so advanced -- will help in
1312 that regard as well --

1313 *Ms. Hoffman. Yes. Asset --

1314 *Mr. McNerney. -- in my --

1315 *Ms. Hoffman. -- management, advanced components,
1316 upgrading the infrastructure all would help from that
1317 perspective as well as managing the loading on transmission
1318 lines.

1319 *Mr. McNerney. Well, we often hear about the weather
1320 dependency of renewable energies. How much is this
1321 intermittency diminished when renewables are distributed over
1322 a broad geographic area?

1323 *Ms. Hoffman. So thank you very much for the question.
1324 As renewables are deployed across a wider geographical area,
1325 that time variation provides the flexibility with respect to
1326 managing that variability. So having a diversified
1327 geographic set of renewables will provide a level of -- a
1328 level of support to the system in managing that variability.

1329 *Mr. McNerney. Well, thank you for your testimony. I
1330 yield back.

1331 *Mr. Rush. The gentleman yields back. And now the
1332 chairman recognizes the gentleman from the great state of
1333 Illinois, Mr. Kinzinger, for five minutes.

1334 The chair, seeing Mr. Kinzinger has no light on, meaning
1335 the chair now recognizes the gentleman from Virginia, Mr.
1336 Griffith, for five minutes.

1337 *Mr. Griffith. Thank you very much, Mr. Chairman, and I
1338 appreciate it. And thank you for being here today. Earlier
1339 today, apparently just in time for this hearing, Chairman
1340 Pallone issued the following statement. "I am deeply
1341 disturbed and disappointed by the Supreme Court's decision
1342 today, which sets the dangerous precedent of allowing
1343 interstate pipelines to take state-owned land without a

1344 state's consent.'" New sentence, "States like New Jersey
1345 should be able to retain their right to do what they wish
1346 with the lands they own, and no private actor, including
1347 pipeline companies, should be able to usurp that right. I am
1348 determined to work with my colleagues to do everything in our
1349 power to preserve this important state right.'"

1350 Let me reiterate now using my slight modification of his
1351 to say that he has said that states like New Jersey should be
1352 able to retain their right to do whatever they wish with the
1353 lands they own, and no private actor should be able to usurp
1354 -- usurp that right. Does DOE agree with Chairman Pallone on
1355 this issue?

1356 *Ms. Hoffman. So, Congressman, thank you very much for
1357 the question. The siting of pipelines is not under my
1358 jurisdiction or the Department of Energy's jurisdiction.
1359 Siting is generally in the responsibility of the states as
1360 states look at technology -- I mean, as infrastructure
1361 investments.

1362 *Mr. Griffith. All right. How about the electric
1363 transmission? No private actor, it says, should be able to
1364 have this right. Do you agree that -- that the no private
1365 actor, including electric transmission lines, should be able
1366 to use eminent domain to take the state's property.

1367 *Ms. Hoffman. So with respect to transmission,
1368 transmission is -- siting is under the jurisdiction of the

1369 state and under FERC. And so once again, with respect to
1370 building transmission in the United States, it is a
1371 collaborative process looking at the state's needs and the
1372 state's capability from a siting point of view. The
1373 Department of Energy focuses on the permitting aspects of
1374 transmission and planning. Part of our technical assistance
1375 would be to support states in evaluating transmission in --

1376 *Mr. Griffith. But some of the bills that we are
1377 working on would change the rules on that. Am I not correct?

1378 *Ms. Hoffman. I would say that under the CLEAN Futures
1379 Act, there is some -- there is modifications in the CLEAN
1380 Future Acts that are focused on FERC and FERC's authorities.

1381 *Mr. Griffith. And -- and I would have to agree that
1382 FERC needs some reform. Earlier, if I understood you
1383 correctly -- and correct me if I misunderstood -- you
1384 indicated that one of the ways we might be able to build this
1385 huge amount of high-voltage electric transmission that we are
1386 going to need would be to use existing rights of way such as
1387 highways, existing electric lines and Amtrak. Was I correct
1388 in hearing you?

1389 *Ms. Hoffman. Yes, Congressman.

1390 *Mr. Griffith. Okay.

1391 *Ms. Hoffman. That is --

1392 *Mr. Griffith. So --

1393 *Ms. Hoffman. -- the opportunity.

1394 *Mr. Griffith. So here's the question I would have on
1395 that. Without some significant reform at FERC, we are not
1396 going to be able to co-locate because I tried to suggest to
1397 them they look at two pipelines that were being run through
1398 Virginia. And they said they didn't have that authority to
1399 co-locate.

1400 Now, let me go one step further. And I am not going to
1401 ask you a question on that. I am just stating. They claim
1402 they don't have that authority. So we may have to do -- give
1403 them that authority. But then if you are doing it on, let's
1404 say, Amtrak, Amtrak doesn't own a very wide easement in most
1405 of its lines. And in many cases, it runs on private rail
1406 lines. Isn't that true?

1407 *Ms. Hoffman. So I am not as familiar with the --

1408 *Mr. Griffith. The answer is yes it is.

1409 *Ms. Hoffman. -- structure of Amtrak.

1410 *Mr. Griffith. All right.

1411 *Ms. Hoffman. Okay.

1412 *Mr. Griffith. So -- but for an electric power
1413 transmission line, particularly a high-voltage one, you would
1414 need at least, what, 150 to 300 feet? So Amtrak is not going
1415 to work. How about our interstate highways? Are they going
1416 to be 300 feet wide in most places? I guess the interstates
1417 would work but not U.S. Highway corridors or highways because
1418 they -- the corridor is big, but the easement is not. And I

1419 would be correct on that. Would I not?

1420 *Ms. Hoffman. Yes, you would be correct, Congressman.

1421 *Mr. Griffith. So that's not going to work. If we
1422 can't take state property and we can't locate, so the only
1423 thing we have got left is locating where there's already a
1424 high voltage transmission line on those items we were talking
1425 about earlier. How do you envision that? Would we have
1426 double-decker lines, ones that -- much higher than the
1427 others? How are you going to put two high-voltage power
1428 lines in the same easement?

1429 *Ms. Hoffman. So thank you, Congressman. I think this
1430 is really part of the planning process in discussion with
1431 states as well as Department of Transportation --

1432 *Mr. Griffith. But right now, you don't know --

1433 *Ms. Hoffman. -- how to best --

1434 *Mr. Griffith. -- is the answer. You know don't how you
1435 are going to work that.

1436 *Ms. Hoffman. It would be a transmission planning
1437 process that would have to be evaluated and individually with
1438 projects.

1439 *Mr. Griffith. So here's my concern. We are talking
1440 about 2030 having 50 percent -- or reducing emissions by 2030
1441 by 50 percent and 100 percent by 2050. But by the time we
1442 get through the planning process, we get through all the
1443 litigation, we comply with all the regulations, one of our

1444 previous witnesses said it was likely to take more than 30
1445 years. Can't be done. Let's quit selling the American
1446 people a false promise. I yield back.

1447 *Mr. Rush. The gentleman yields back. The chair now
1448 recognizes the chairman of the Subcommittee on Environment,
1449 the gentleman from New York, Mr. Tonko, for five minutes.

1450 *Mr. Tonko. Thank you, Chair Rush and Chair Pallone for
1451 your work to add meaningful transmission provisions to the
1452 CLEAN Future Act. And welcome back, Assistant Secretary
1453 Hoffman. Been here before, and thank you for always sharing
1454 your expertise with the committee and subcommittees.

1455 This is certainly a tough and complicated issue, but it
1456 is critical we get this right because we will need new
1457 transmission capacity, particularly interstate and
1458 interregional projects to achieve our clean electricity
1459 targets.

1460 According to recent studies, we may need about 70 new
1461 gigawatts of clean electricity added to our energy mix every
1462 year over the next 15 years and last year. I am informed
1463 that we deployed less than one half of that. Nearly all of
1464 these projects will require extensive planning, siting and
1465 permitting processes and at the current rates transmission
1466 projects to enable this buildout are being developed far too
1467 slowly. The good news is that I believe this work can be
1468 bipartisan. Addressing barriers to transmission deployment

1469 played a big role in the Senate's bipartisan infrastructure
1470 framework and the President's American Jobs Plan.

1471 So Assistant Secretary Hoffman, thank you for your
1472 testimony. Obviously, I come at this issue with an interest
1473 in deploying new clean electricity resources. But new
1474 transmission can provide many other benefits. Can you
1475 explain how many of these projects could actually result in
1476 cheaper electricity and a more reliable and resilient grid?

1477 *Ms. Hoffman. Yes. Thank you, Congressman, for the
1478 question. As we build transmission, there is efficiency of
1479 building at scale and allowing for the access to high
1480 capacity renewable resources across the United States. So
1481 part of the -- the process for looking at transmission is
1482 really having that high-voltage capacity but that additional
1483 capacity to tap that -- remote renewable resources that can
1484 be developed in a cost-effective manner.

1485 *Mr. Tonko. Thank you. And when we talk about
1486 interregional planning, we often think about a project in the
1487 Wind Belt supplying PJM or California. But I think it's
1488 important that we don't forget offshore resources. These
1489 offshore projects are going to feed into New York's ISO, ISO
1490 New England and PJM. How should RTO's transmission planning
1491 account for the significant expected growth in offshore wind
1492 deployment?

1493 *Ms. Hoffman. So thank you, Congressman. I think it is

1494 an important dialogue that must be had with the ISOs and the
1495 RTOs as we think about transmission planning moving forward.
1496 They generally do a 10-year transmission plan. But the ISOs
1497 and RTOs really need to think about scenarios moving forward
1498 so that they can build towards the future and the policies,
1499 whether it's the state policies and the federal policies from
1500 a transmission planning perspective. And that needs to be
1501 part of the discussion as well as they look at resilience
1502 attributes and making sure that we strengthen the
1503 transmission system moving forward. So they have an
1504 important role to play as they do, do transmission planning
1505 and they do, do some scenario analysis.

1506 *Mr. Tonko. And what role can DOE play in helping
1507 states better coordinate and cooperate around this massive
1508 opportunity for offshore wind?

1509 *Ms. Hoffman. So states have a very important role.
1510 The states along the East Coast really need to be part of the
1511 dialogue as we think about the transmission plan for building
1512 30 gigawatts of offshore wind. As we look at that, we want
1513 to think about a coordinated approach for radial feeders and
1514 where they are connected to the transmission system on the
1515 mainland. And so that is an important dialogue of the
1516 conversation because system upgrades are going to be
1517 required, and all that investment really needs to be
1518 collaborated with -- with the states and the affected

1519 communities.

1520 *Mr. Tonko. And DOE, you see in the middle of all of
1521 that?

1522 *Ms. Hoffman. DOE can provide the facilitation as well
1523 as technical assistance for some of the analysis and support
1524 for the -- the transparent and open discussions on how to
1525 build the infrastructure.

1526 *Mr. Tonko. And finally, can you provide any examples
1527 of work done by the Office of Electricity's transmission
1528 planning and technical assistance program? And can this work
1529 play a role in the proposed grid deployment authority?

1530 *Ms. Hoffman. So absolutely, and thank you for the
1531 question and being able to tout some of our work. Under the
1532 Recovery Act, we did sponsor transmission planning activities
1533 with the regions to look at different scenarios which I
1534 believe was the start of the dialogue as well as some of the
1535 FERC orders that came out to say that we need to have a
1536 transmission planning process in the United States, evaluate
1537 what transmission requirements are needed.

1538 But in addition, the Office of Electricity and our
1539 organization has really sponsored the development of several
1540 tools that can be used by transmission developers. We have
1541 the rapid toolkit, which was done as part of an interagency
1542 process that's a Wiki that really allows developers to look
1543 at all the regulatory authorities and requirements on a state

1544 basis and a federal basis for building transmission projects.

1545 But we also have an energy zone mapping tool that also
1546 allows for project developers to take a look at the mapping
1547 but really figure out where the sensitive lands are and the
1548 opportunities for transmission development and alternative
1549 routes.

1550 *Mr. Tonko. Well, thank you again for sharing your
1551 expertise. And with that, Mr. Chair, I yield back.

1552 *Mr. Rush. The gentleman yields back. The chairman now
1553 recognizes the gentleman from Ohio, Mr. Johnson, for five
1554 minutes.

1555 *Mr. Johnson. Thank you, Mr. Chairman, and Assistant
1556 Secretary Hoffman. Thanks for joining us today. Today we
1557 are holding, at least by my count, the seventh hearing in
1558 this Congress on yet another portion of the CLEAN Future Act.

1559 It's important to remember that just because we hold these
1560 separate hearings, this is all part of the same massive 900-
1561 plus-page radical legislation. If enacted, it'll totally
1562 transform our society in a negative way, hitting the American
1563 economy and our constituents' pocketbooks all at once. This
1564 utopian vision mandated by the CLEAN Future Act, a vision of
1565 a fully electrified economy with its thousands of miles of
1566 new high-voltage transmission and all renewable power
1567 generation within 15 or even 30 years at some point is
1568 inevitably going to crash into reality. By the best

1569 estimates, wind and solar electricity generation need at
1570 least 300 to 400 times the amount of land as, say, a natural
1571 gas or a coal-fired power plant. Adding to the problem is
1572 that the areas with the most wind and sunlight by and large
1573 are not even close to the population centers in our country.

1574 My Democratic colleagues will say today that all we have
1575 to do is make a few policy changes here, throw a few hundred
1576 billion dollars there and this problem is fixed. Now, I know
1577 this sounds funny, but it reminds me of that scene in the
1578 '80s movie Back to School where Rodney Dangerfield's college
1579 professor asks his student where they should build his
1580 theoretical business. The professor clearly had never worked
1581 a day in his life and failed to take into account some very
1582 real, serious practical realities. Dangerfield's character,
1583 already a successful businessman, shouts out, "How about
1584 Fantasyland?" to the professor, bringing laughter,
1585 obviously, from the students.

1586 The supporters of this bill need to be honest with the
1587 American people. This rush to green, if it becomes a
1588 reality, will lead to increased blackouts, skyrocketing
1589 electricity costs and out-of-control inflation. So Assistant
1590 Secretary Hoffman, would you agree that, in general, when
1591 someone makes an investment, they do so with the hope that
1592 they get a tangible return on that investment. Is that
1593 generally your understanding of what an investment does?

1594 *Ms. Hoffman. Thank you, Congressman. Yes. Investment
1595 --

1596 *Mr. Johnson. Okay. Great. In your testimony, you
1597 mentioned several times the, quote, investments that you see
1598 needing to be made in transmission, a vast buildout of two to
1599 three times our current transmission capacity. Someone is
1600 obviously going to have to pay for this investment. So
1601 whether the American people are stuck picking up this tab via
1602 higher taxes or rate increases on their utility bills, can
1603 you honestly say that they'll be receiving a return on their
1604 investment?

1605 *Ms. Hoffman. As you look at the cost-benefit for the
1606 health and safety of communities --

1607 *Mr. Johnson. No. What is the --

1608 *Ms. Hoffman. -- reliability --

1609 *Mr. Johnson. -- return on investment? What is the
1610 return on investment? They are making a monetary investment
1611 with their taxes or their rate increases. What is the return
1612 on their investment?

1613 *Ms. Hoffman. So the return on the investment is access
1614 to clean energy. It is access to --

1615 *Mr. Johnson. No. That's not a return --

1616 *Ms. Hoffman. -- available --

1617 *Mr. Johnson. -- on investment. A return on investment
1618 is a monetary thing. That's why you make an investment. Let

1619 me ask it another way. If the Biden -- which you touted in
1620 your testimony, the carbon-free power sector by 2035 are
1621 realized, in your opinion, will the American people's utility
1622 bills go down?

1623 *Ms. Hoffman. So with respect to utilization of --

1624 *Mr. Johnson. That's a -- that's a --

1625 *Ms. Hoffman. -- high-voltage --

1626 *Mr. Johnson. -- yes or a no question. If these goals
1627 are realized, will those utility bills go down?

1628 *Ms. Hoffman. If we can access clean energy that is
1629 cost-effective in the remote areas of the country, accessing
1630 the --

1631 *Mr. Johnson. No. Will the --

1632 *Ms. Hoffman. -- low-cost --

1633 *Mr. Johnson. Will the --

1634 *Ms. Hoffman. -- energy --

1635 *Mr. Johnson. Will the utility bill -- Assistant --

1636 *Ms. Hoffman. -- components --

1637 *Mr. Johnson. -- Secretary, you are not answering the
1638 question. Will the utility bills go down if these goals are
1639 realized? Yes or no?

1640 *Ms. Hoffman. It varies across --

1641 *Mr. Johnson. You don't know. You don't know. That's
1642 what I thought. And can you guarantee that their electricity
1643 will remain reliable, not only for essential household

1644 functions but for businesses, job creators who need large
1645 amounts of reliable electricity for manufacturing and other
1646 commercial uses? So will reliability still be what it is
1647 today where we have coal, nuclear and gas providing our
1648 baseload?

1649 *Ms. Hoffman. Having a strong transmission system will
1650 increase the reliability --

1651 *Mr. Johnson. That goes back to --

1652 *Ms. Hoffman. -- of the United States.

1653 *Mr. Johnson. -- the investment part -- right? -- that
1654 we don't know if we are going to get a rate of return on.
1655 Thank you, Madam Secretary. I yield back.

1656 *Mr. Rush. The gentleman yields back. The chair now
1657 recognizes the gentleman from Texas, Mr. Veasey, for five
1658 minutes.

1659 *Mr. Veasey. Thank you, Chairman Rush. I appreciate
1660 you holding this hearing. And I want to thank the witness
1661 for her answers. We know we need to make an investment in
1662 this infrastructure, not only to meet our energy needs but to
1663 meet our climate goals and make sure that we are creating
1664 good-paying jobs along the way because people need to eat.
1665 People need to take care of their families. In Texas, we
1666 have set the standard for smart transmission planning to
1667 facilitate the deployment of clean energy.

1668 In 2005, I was on the state legislature, and we passed

1669 SB20, which established the Competitive Renewable Energy
1670 Zones or the CREZ. CREZ helped to create the High Plains
1671 with plentiful wind resources to the population centers of
1672 Dallas-Fort Worth, Houston, San Antonio and Austin. And
1673 according to Americans for a clean energy grid, CREZ enabled
1674 an additional 18 gigawatts of wind energy generation capacity
1675 to Texas's power system while overcoming technical issues
1676 such as curtailment and transmission congestion.

1677 I am glad that the CLEAN Future Act contains provisions
1678 designed to take these successes and apply them elsewhere.
1679 Can you talk about why it's important -- why it's so
1680 important, regulators and transmission companies work
1681 together to identify and designate transmission corridors?

1682 *Ms. Hoffman. Yes. It is very important for that
1683 collaboration and designating corridors to really think about
1684 where transmission is best placed in accessing the clean
1685 energy resources in the United States. So as we look at
1686 transmission corridors, we really want to look at a
1687 partnership with the states. I think the approach that Texas
1688 took with the CREZ program is a -- is a very important
1689 example of how we can merge infrastructure investment with
1690 policy objectives by the states to really collaborate in
1691 developing cost-effective solutions for building
1692 transmission, as well as your colleague in New York has done
1693 some similar processes in New York with respect to how do we

1694 collaborate in looking at energy corridors but looking at the
1695 siting and placement of transmission in the United States.

1696 *Mr. Veasey. Yeah, yeah. No, and that's important too
1697 as we -- you know, particularly when you look at Texas, I
1698 think there were about 23 percent renewable energy on our
1699 grid. Obviously, the legislature failed to take any
1700 substantive action to fix some of the issues that we had with
1701 the grid that caused -- that caused the power outage and the
1702 black -- and the blackouts that we had during the winter
1703 storm. But, you know, being able to implement things like
1704 that will make it more -- we can continue to grow that
1705 number, too, as well. So I appreciate your answers, and I
1706 yield back.

1707 *Mr. Rush. The chair thanks the gentleman for his
1708 kindness. The chair now recognizes the gentleman from
1709 Indiana, Mr. Bucshon, for five minutes.

1710 *Voice. Mr. Chairman, I think it should be Mr. Palmer
1711 at the moment from Alabama.

1712 *Mr. Rush. All right. The chair now recognizes the
1713 gentleman from Alabama, Mr. Palmer, for five minutes.

1714 *Mr. Palmer. Thank you, Mr. Chairman.

1715 Ms. Hoffman --

1716 *Mr. Rush. What happened -- Bucshon?

1717 *Mr. Palmer. The national renewable energy laboratory
1718 estimated that if the U.S. were to attempt to derive 90

1719 percent of its electricity from renewable sources, it would
1720 have to roughly double its high-voltage transmission
1721 capacity. That's what this hearing is about, isn't it?

1722 *Ms. Hoffman. Yes.

1723 *Mr. Palmer. We currently have 240,000 miles of high-
1724 voltage transmission lines. A doubling of that would mean
1725 that -- that we would -- would require adding enough high
1726 voltage transmission to circle the Earth about 10 times.
1727 That -- that's a lot of wire; right?

1728 *Ms. Hoffman. Your numbers are a lot of wire. But I
1729 think, Congressman, part of it, it would be increasing the
1730 voltage on the transmission system to adding capacity to the
1731 transmission system.

1732 *Mr. Palmer. But the point is, is that we are going to
1733 have to build new transmission lines and -- and what I want
1734 to ask you about is, first of all, we -- I think my Democrat
1735 colleagues and I have some agreement on this, that we are
1736 going to need to expedite permitting. We are going to have
1737 to evaluate some of the regulatory impediments to getting
1738 this done. This would necessarily require that we do things
1739 that we ordinarily wouldn't do, for instance, building
1740 infrastructure for high-voltage transmission across sensitive
1741 areas that are habitat-sensitive, that are wetlands, things
1742 like that. And we would have to do it in an expedited
1743 fashion if we to -- to achieve the goals, for instance, that

1744 John Kerry and -- and Alexandria Ocasio Cortez have said that
1745 we have got -- what now? Nine years left. Under current
1746 permitting and regulatory regime, we couldn't even get the
1747 paperwork done in that time. So it would necessitate a much-
1748 expedited permitting process. Would it not?

1749 *Ms. Hoffman. So, Congressman, thank you for the
1750 question. What I really believe is really it takes -- is a
1751 more coordinated process among the federal agency and the
1752 state agencies with respect to transmission planning and
1753 state actions from a siting point of view.

1754 *Mr. Palmer. Well, thank you for making that point that
1755 it will take a collaborative effort between the federal
1756 government and the states because I -- I have been looking at
1757 some of the recommendations from DOE and others that have a
1758 vested interest in -- in a renewable power grid, that they
1759 basically are willing to usurp the rights of the states in
1760 regard to the states' ability and their -- to control what
1761 gets built in their states. And I appreciate Mr. Griffin
1762 bringing this up, quoting Chairman Pallone. And they are --
1763 and his strong stand, defending the right of New Jersey to
1764 protect that.

1765 What I am concerned about at this point, and I -- I want
1766 to ask you about this, is wouldn't it require a very
1767 aggressive use of eminent domain to make this possible? And
1768 what I want to point out to you is that there -- the effort

1769 to build these transmission lines for renewable power
1770 generation and transmission, in 2017, Iowa enacted a law
1771 prohibiting the use of eminent domain for high-voltage
1772 transmission lines. In 2018, the Clean Line Energy Partners
1773 announced it was suspending its years' long effort to build a
1774 720-mile 2.5 billion transmission line across the state of
1775 Arkansas.

1776 And every member of the congressional delegation from
1777 Arkansas opposed that deal. In 2018, the New Hampshire
1778 regulators rejected a high-voltage electricity transmission
1779 project called the Northern Pass Transmission that was to
1780 carry power from Quebec, hydroelectric facilities to
1781 consumers in Massachusetts. There was a 2.3 billion, 780-
1782 mile Grain Belt Express, has been delayed for years because
1783 of opposition from Missouri farmers.

1784 In 2019, environmental groups and local governments sued
1785 the Wisconsin Public Utility Commission to block construction
1786 of a \$492 million 100-mile high-voltage transmission project
1787 called Cardinal-Hickory Creek that was designed to move wind
1788 energy to urban areas. And we could go on.

1789 The only way that the federal government, the Biden
1790 Administration and my Democrat colleagues will be able to
1791 achieve this dream of a Green New Deal is to be very
1792 aggressive in the use of eminent domain that will deny the
1793 states the right to determine what's built in their states

1794 and take property from private landowners. I thank the
1795 chairman. I yield back.

1796 *Mr. Rush. The gentleman yields back. The chair now
1797 recognizes the gentlelady from Washington State, Ms. Schrier,
1798 for five minutes.

1799 *Ms. Schrier. Thank you, Mr. Chairman. First, Ms.
1800 Hoffman, after Mr. Johnson's question about return on
1801 investment, I'd just like to give you an opportunity to
1802 explain why investment in clean energy can't be judged simply
1803 by an energy bill and has to be taken in the context of the
1804 cost of climate disasters and also that cost can decrease
1805 markedly when you have good transmission systems. So I just
1806 wanted to -- feel free, please, to -- to finish your thoughts
1807 on why energy bills are nuanced issues and can't be answered
1808 with a simple yes or no.

1809 *Ms. Hoffman. Thank you, Congresswoman, for that
1810 opportunity to provide more details. As we look at all the
1811 cost and benefits and the benefits to consumers and nations,
1812 we really want to think of the health of consumers in the
1813 United States to be able to have that clean environment and
1814 access to healthy communities as well as economic development
1815 from manufacturing and jobs that can be created as we have
1816 low-cost electricity, affordable electricity in communities
1817 and states. And so I really wanted to emphasize that it's
1818 just not simple, the price you pay for electricity.

1819 But there is a larger set of benefits for consideration
1820 as we build this infrastructure from a security and
1821 resilience side of things. And looking at the resilience of
1822 our nation. There is additional benefits there from building
1823 infrastructure so thank you.

1824 *Ms. Schrier. Thank you. I wanted to give you that
1825 opportunity. Now, as you know, the Pacific Northwest is
1826 currently experiencing abnormally high record unprecedented
1827 temperatures. On Monday, Seattle broke a record for the
1828 highest temperature ever recorded at 107 degrees. In my
1829 neighborhood, it was 109. In Wenatchee, 111. And over the
1830 weekend, an investor-owned utility in my district had about
1831 seven times the volume of outages as they normally would have
1832 in June with temperatures being 30 or 40 degrees higher than
1833 normal. And the primary causes were things like vegetation,
1834 tree limbs, but also heat-related equipment failure. And
1835 traditionally, Washington sends power to California in the
1836 summer so they can run their air conditioning, and they send
1837 us power in the winter for heat. But now we are seeing this
1838 new need to maybe serve peak demand during the summertime
1839 because of these extreme temperatures that may become a new
1840 normal.

1841 So I was wondering. Your testimony identifies numerous
1842 ways in which the Department of Energy oversees the
1843 deployment of transmission, including through the Federal

1844 Power Marketing Administrations. Can you talk about the
1845 administration's recent and current efforts to use the
1846 Western Power Administration to build additional transmission
1847 to support the Pacific Northwest?

1848 *Ms. Hoffman. Yes. Thank you, Congresswoman, for that
1849 question. And the Western Power Administration has a
1850 transmission infrastructure investment program, which is a
1851 congressionally authorized program that allows borrowing
1852 authority for building transmission infrastructure in the
1853 Western region of the United States.

1854 It's about a \$3.25 billion program for infrastructure
1855 investments. They can look at transmission infrastructure as
1856 well as other -- other infrastructure such as energy storage.
1857 They have built and participated in two projects under this
1858 program. And the secretary announced that this program is
1859 open for business in addition to the Loan Programs Office,
1860 borrowing authority for building infrastructure.

1861 *Ms. Schrier. Thank you, and thanks for mentioning
1862 storage because I know that our Pacific Northwest National
1863 Labs are doing remarkable research into storage. Now, I have
1864 another question, which is do you have any comments to make
1865 about mitigating new risks? For example, now we have forest
1866 fires, as mentioned, in the entire West. And so I am
1867 wondering about any research in, for example, the development
1868 of underground transmission distribution lines, whether

1869 that's a pipe dream or something that could really happen or
1870 would be useful and what other Department of Energy plans
1871 there are to -- to mitigate the risk that wildfire and
1872 extreme weather poses to our transmission system.

1873 *Ms. Hoffman. So thank you, Congresswoman, for the
1874 question. Undergrounding is a great opportunity for high
1875 voltage DC transmission. As Congressman Griffin brought up
1876 about the rights of way issues, undergrounding DC lines is a
1877 really good way to utilize narrow rights of way for
1878 transmission investments. So -- but it is generally applied
1879 to long-distance lines. And the high-voltage capacity lines
1880 that -- and so that is really where the opportunity is for
1881 undergrounding. And it does provide great advantages in
1882 pairing with renewable technologies that is mostly from a DC
1883 capacity point of view.

1884 AC technologies are -- are more, I would say -- if you
1885 wanted the underground AC technologies, you really do that in
1886 city and dense areas. So there is a difference between high-
1887 voltage DC capacity that we want to build in the United
1888 States. So with respect to accessing offshore wind or remote
1889 resources, high-voltage DC is the preferred technology.

1890 And it does enable that ability to do undergrounding.
1891 Now, that being said, I will say it's more expensive. It is
1892 more expensive to underground. And you also have to be very
1893 cognizant of the ground conditions. Rocky environments

1894 versus farmlands are very, very different characteristics for
1895 undergrounding. And so that is why I say planning and
1896 transmission planning is we are thinking about what
1897 transmission infrastructure we want to build really has that
1898 key component to evaluating the cost that it's going to
1899 require to get that transmission.

1900 *Ms. Schrier. Thank you. I am over time.

1901 *Mr. Rush. The gentlelady's time has expired. The
1902 chair now recognizes the gentleman from South Carolina, Mr.
1903 Duncan, for five minutes.

1904 *Mr. Duncan. Thank you, Mr. Chairman. Love to have you
1905 back in the committee room sometime soon. Assistant
1906 Secretary Hoffman, thank you for being here today. I
1907 understand there is a provision in the CLEAN Future Act,
1908 Section 220(c), which requires all public utilities to place
1909 transmission facilities under the control of an independent
1910 system operator or regional transmission organization within
1911 two years of the enactment of the act.

1912 Now, I represent South Carolina, which currently does
1913 not participate in an RTO or an ISO market. Last year, the
1914 state legislature directed the state to study electricity
1915 market reforms, including the possibility of joining an RTO,
1916 ISO or other options. Generally, I do think this sort of
1917 issue should be handled at the state level through the state
1918 legislatures and utility commissions.

1919 States know their residents. They know their energy
1920 market priorities and the stakeholders best. South Carolina
1921 has taken data-driven approach to determine what market
1922 structure is best for the state, and I do not believe that it
1923 should be short-circuited by bureaucrats here in Washington,
1924 which is exactly what the CLEAN Future Act will do. So why
1925 not let South Carolina decide for themselves whether it's in
1926 their best interest for its energy consumers to join an RTO
1927 or ISO?

1928 *Ms. Hoffman. So thank -- thank you, Congressman, for
1929 the question. RTO decisions is -- are -- are under the
1930 jurisdiction of FERC and not the Department of Energy. The
1931 Department of Energy collaborates with the states in
1932 evaluating participation in the RTOs. I know that the
1933 southeastern states is looking at different market
1934 enhancements for the southern states as they look at
1935 Southeast. I think it's market exchange program, looking at
1936 bilateral exchanges in 15 minutes. I think it comes down to
1937 a discussion with FERC and the future of RTOs.

1938 *Mr. Duncan. I just can't help but notice that nuclear
1939 reactors going off-line within RTOs and we have heard some of
1940 my colleagues today represent these areas. Our priority
1941 should be pursuing market structures that keep these energy
1942 sources affordable and reliable for consumers, maintaining a
1943 market conducive to keeping and bringing reactors online

1944 important.

1945 In fact, there's a whole list of states that have
1946 reactors that have been taken off-line. Mr. Chairman, I'd
1947 like to submit this for the record.

1948 [The information follows:]

1949

1950 *****COMMITTEE INSERT*****

1951

1952

1953 *Mr. Duncan. In my district, Duke Energy has filed an
1954 application with NRC to renew the Oconee Nuclear Station's
1955 operating licenses for an additional 20 years. It's the
1956 largest nuclear station. Three generating units produce more
1957 than 2500 megawatts of carbon-free electricity. These would
1958 get carbon-free electricity as well, but they are now not
1959 off-line. I will commend the Connecticut governor for seeing
1960 that if you want to be more carbon-neutral, you keep the
1961 reactors online.

1962 But given what's going on in other regions, do you think
1963 the CLEAN Future Act, RTO and ISO requirement may undercut
1964 South Carolina's clean energy future with regard to nuclear
1965 reactors, any other things, both from a jobs or energy
1966 perspective?

1967 *Ms. Hoffman. So Congressman, thank you for the
1968 question. Nuclear energy is an important part of the clean
1969 energy portfolio from a generation resource future. The
1970 administration is supportive of nuclear energy as part of the
1971 portfolio. I know the Department of Energy is working on
1972 advanced nuclear designs and nuclear technologies moving
1973 forward. And so hopefully that will continue to develop new
1974 nuclear assets in the United States but also continue to
1975 strengthen our -- our nuclear fleet.

1976 *Mr. Duncan. Yeah. We can agree on that. In your
1977 testimony, you mention that in order to meet the goal of 100

1978 percent clean energy by 2035, given a greater amount of
1979 electricity generation from our renewable sources will be
1980 needed. Don't mention any of the role of nuclear in those
1981 comments. So do you -- I guess you agree that nuclear energy
1982 -- because what you just said is a part of that. Do you
1983 agree it's critical for both the reliability and resiliency?

1984 *Ms. Hoffman. Nuclear energy is a critical part of our
1985 portfolio with respect to decarbonization. And it is an
1986 asset that is -- can be utilized moving forward. I hope with
1987 new technologies, that asset can be a little bit more
1988 flexible in providing flexible generation --

1989 *Mr. Duncan. When you mentioned new --

1990 *Ms. Hoffman. -- for the system.

1991 *Mr. Duncan. -- new reactor technology and whatnot,
1992 what are you talking about?

1993 *Ms. Hoffman. So I am not the -- the expert with the
1994 nuclear program. I'd be more than welcome to get our nuclear
1995 office to come in and have a collaborative discussion.

1996 *Mr. Duncan. I'd love for you to do that. I'd love to
1997 see what this administration. I know what I think the future
1998 should look like. I know what other experts have told me.
1999 I'd love to hear what the administration thinks about what
2000 that future looks like. With that, Mr. Chairman, I will
2001 yield back.

2002 *Mr. Rush. The gentleman yields back. The chair would

2003 like to say to the gentleman that this is a hybrid hearing of
2004 over nine -- 100 -- it's a hybrid hearing for a reason. We
2005 are not certain if all the Republicans have been -- the
2006 chairman also like to remind the gentleman what scripture
2007 says. You should not criticize, look at the splinter in your
2008 neighbor's eyes when you have -- might have time in your own
2009 eye. So the gentleman should be wary of trying to -- to cast
2010 dispersion on the chair. The chair now recognizes the
2011 gentlelady from Colorado, Ms. DeGette, for five minutes.

2012 *Ms. DeGette. Thank you so much, Mr. Chairman.
2013 Welcome, Ms. Hoffman. It's always good to have your deep
2014 knowledge of the subject in front of this committee. As we
2015 are -- and -- and I have some -- some sort of deep questions
2016 here. As we move towards more renewable energy and hopefully
2017 under clean energy standard, accounting for energy lost
2018 during transmission is going to be critical in ensuring that
2019 when we say we are getting 100 percent clean energy, we are
2020 really getting 100 percent clean energy.

2021 And if we don't account for energy loss, that may
2022 inadvertently create a loophole through which technical
2023 compliance with a hundred percent clean energy standard could
2024 still allow carbon emissions because of energy lost. And so
2025 I am wondering if you can tell me does DOE have a good idea
2026 of how much energy is lost in electrical transmission?

2027 *Ms. Hoffman. So in general, I would say that electric

2028 transmission, there is about a 2 percent energy loss.
2029 Distribution systems are higher. Generally, the higher the
2030 voltage, the less loss on a transmission line.

2031 *Ms. DeGette. Okay. Does it vary between different
2032 types of transmission lines, different parts of the country,
2033 different seasons and so on?

2034 *Ms. Hoffman. So yes, Congresswoman. Thank you for the
2035 question. It will vary depending on the type of material
2036 that's used in the transmission line, how long the
2037 transmission line is and the other factors that you have
2038 brought up. Not repeating them all. And so there is a
2039 variability in the losses from that.

2040 *Ms. DeGette. Now, if DOE were asked to account for the
2041 energy lost along the different transmission lines given
2042 those variables, would the department be able to do so?

2043 *Ms. Hoffman. So the department would be able to verify
2044 transmission losses in a controlled environment with our
2045 national laboratories. I would say that the utilities
2046 themselves could provide a very performance-based analysis
2047 with respect to the losses on their system. And so as we
2048 look at performance-based with utilities that they should be
2049 able to provide representation of that. In addition, I am
2050 wondering if EIA probably also has some information in this
2051 space that could be useful.

2052 *Ms. DeGette. Thank you. Now, in your testimony, you

2053 mentioned that your office has been making efforts to reduce
2054 energy loss transmission. Can you talk a little bit more
2055 about that work?

2056 *Ms. Hoffman. Yes. With the Department of Energy, what
2057 we really want to be able to do is maximize the capacity and
2058 utilization of our transmission system. So a lot of the
2059 technologies that we would look at really focus on a couple
2060 different areas. First is utilizing the maximum capacity of
2061 the line, which would be dynamic line ratings for the ability
2062 to really utilize those lines. Other technologies really
2063 comes along the lines of advanced conductors to be able to
2064 increase the efficiency of a transmission line. And so
2065 that's focused on composite conductors.

2066 There are various technologies out there such as carbon-
2067 reinforced conductors that allow for additional throughput on
2068 transmission lines as a result of that technology.

2069 *Ms. DeGette. Okay.

2070 *Ms. Hoffman. In addition, there is other sensors and
2071 capacity and materials for advancing transformers and
2072 efficiency of transformers. So we have a portfolio of
2073 programs, and I appreciate the opportunity to discuss those.

2074 *Ms. DeGette. I appreciate it too. We have had a
2075 robust discussion of the siting of transmission lines today
2076 in this committee. And one of the things that I think is
2077 important which you mentioned is the siting of -- of lines

2078 across public lands, which is an issue we have a lot of in my
2079 state of Colorado, and it's a really important issue. You
2080 said that the Federal Power Act provides DOE the authority to
2081 coordinate federal authorization decisions on transmission,
2082 including setting deadlines for decision-making. So I am
2083 wondering how that's worked.

2084 *Ms. Hoffman. Thank you, Congresswoman, for the
2085 question, and I guess this will date me a little bit in my
2086 experience and tenure in the Department of Energy. But back
2087 in 2009, DOE has done an MOU with our interagency partners.
2088 And that is called the lead agency designation as part of
2089 216(h) in the Federal Power Act. And what this allowed was
2090 for us to develop and designate a lead agency.

2091 And being a designated lead agency, that agency would
2092 establish milestones for projects.

2093 *Ms. DeGette. Right. So I only have 13 seconds left.
2094 So let me ask you. Those milestones and deadlines that have
2095 been set, have they actually been met?

2096 *Ms. Hoffman. So I would ask you to -- it's been mixed.
2097 I would ask you to go to the Federal Infrastructure
2098 Permitting Steering Committee. There is a dashboard with
2099 several project examples that highlight which milestones have
2100 been met. So it's been a mixed success and I think
2101 a -

2102 *Ms. DeGette. So you --

2103 *Ms. Hoffman. -- work in progress.

2104 *Ms. DeGette. Okay. Mixed success. Thank you. I
2105 yield back.

2106 *Mr. Rush. The gentlelady yields back. The chair now
2107 recognizes the gentlelady from the great state of Arizona,
2108 Ms. Lesko, for five minutes.

2109 *Mrs. Lesko. Thank you, Mr. Chairman, and thank you,
2110 Assistant Secretary Hoffman, for being here. Assistant
2111 Secretary Hoffman, do you -- what role do you think natural
2112 gas plays in the future of our electricity in our nation?

2113 *Ms. Hoffman. So natural gas is currently playing a
2114 role of providing flexibility and balancing variable
2115 resources and looking at providing support for the system,
2116 similar to hydropower assets. It is providing that
2117 flexibility and support for the system.

2118 *Mrs. Lesko. And I have a concern that in the CLEAN
2119 Future Act, it says that basically we need to eliminate
2120 natural gas by 2035 for electricity generation. My concern
2121 is that that's going to -- is a fast time period. Many think
2122 that it's -- it's not achievable in that short of a time
2123 period. Do you think -- my concern is that that will
2124 increase prices to my constituents, utility costs, and also
2125 decrease reliability of the grid. Do you share my concern?

2126 *Ms. Hoffman. So with respect to natural gas, the
2127 opportunity exists for decarbonization with CCUS, carbon

2128 storage and capture. And as the department looks at
2129 alternative clean fuels, that is going to be the transition
2130 to a cleaner fuel infrastructure. And so I think the balance
2131 is going to be during that transition, the science and
2132 technology development that's going to have to occur for us
2133 to achieve those goals. I am not a natural gas expert, so I
2134 would be more than welcome to have the staff and the
2135 department collaborate with you on some of these discussions
2136 moving forward.

2137 *Mrs. Lesko. Thank you. You had brought up earlier in
2138 your testimony about Biden's 30 by 30 plan. I think you said
2139 that it would require 30 gigawatts of offshore wind by 2030;
2140 is that correct? And I -- I looked up, and it said the
2141 average wind turbine has a capacity of 2.55 megawatts. And
2142 so if I did my math right, that means it would require 11,765
2143 offshore wind turbines to generate this amount of
2144 electricity.

2145 In a previous ENC committee hearing, we heard from
2146 former Secretary of Energy Moniz. And if my memory serves me
2147 correctly, he said that each offshore wind turbine takes 1
2148 ton of critical materials, minerals, to build. And that, you
2149 know, would be -- require tons of excavating, processing,
2150 that type of thing.

2151 Considering that America now relies on foreign
2152 countries, sometimes adversary foreign countries like China,

2153 for our critical minerals, I think a hundred percent of 17
2154 critical minerals, where do you propose that we get all of
2155 these critical minerals to build 11,765 offshore wind
2156 turbines?

2157 *Ms. Hoffman. So I understand that the Department of
2158 Energy and the Office of Energy Efficiency, renewable energy,
2159 there is an emphasis in looking at advanced materials and
2160 critical materials as well as alternatives for replacing
2161 critical materials or looking for material alternatives. So
2162 I think it's important as we move forward to address these
2163 challenges, recognizing they are challenges and -- but still
2164 continue to move forward on what technology can do and what
2165 we can do in this space. So I recognize and I thank you for
2166 the question. These are very important issues that must be
2167 part of the dialogue and the conversation.

2168 *Mrs. Lesko. And thank you. And the reason that I
2169 bring these up is I think there's -- I have a general
2170 concern, and many of us do, that the timeline for switching
2171 to purely solar and wind is just totally unreasonable and
2172 will increase the cost to my constituents' utility -- I have
2173 a lot of senior citizens on fixed incomes in my congressional
2174 district, and they complain if their utility bill goes up by
2175 five dollars, let alone, you know, this 14 years. We are
2176 going to get rid of a reliable baseload energy and somehow
2177 think that we are going to replace it so soon in such a fast

2178 timeline.

2179 And the technology isn't there right now to do that. In
2180 fact, last night, I talked to another former Secretary of
2181 Energy, and he thinks it's going to take 20, 25 years to have
2182 the right energy storage batteries that are needed to do
2183 this. And so that's -- that's my concern. I am concerned
2184 about my constituents, the cost of electricity, and the
2185 reliability of the energy grid. I sure as heck do not want
2186 Arizona --

2187 *Mr. Rush. The gentlelady's time has --

2188 *Mrs. Lesko. -- to have rolling blackouts --

2189 *Mr. Rush. The gentlelady's --

2190 *Mrs. Lesko. -- like here --

2191 *Mr. Rush. -- time --

2192 *Mrs. Lesko. -- California does.

2193 *Mr. Rush. -- has expired.

2194 *Mrs. Lesko. Thank you. And I yield back.

2195 *Mr. Rush. The gentlelady yields back. The chair now
2196 recognizes esteemed jurist from the great state of North
2197 Carolina, Mr. Butterfield, for five minutes.

2198 *Mr. Butterfield. Thank you very much, Mr. Chairman,
2199 and let me say good afternoon to you and to all of our
2200 colleagues. And thank you, Mr. Chairman, for your
2201 leadership. Thank you for convening this very important
2202 hearing today.

2203 And on the subject of hybrid hearings, let me just say
2204 for the record that I share my colleague's desire for us to
2205 come back together and reunite in the committee room. But my
2206 friends, we are not there yet. And I -- I share the
2207 chairman's view that when we are convinced that all members,
2208 not just -- not just Republicans but when all members and
2209 staff have been vaccinated, then we can return to in-person
2210 hearings, and I look forward for that to happen. I have
2211 great respect for the wellness of my colleagues. And I only
2212 ask that this attitude would be reciprocal.

2213 And thank you, Ms. Hoffman, for your testimony. Thank
2214 you for your many years of service. I am from the great
2215 state of North Carolina. We have affordable retail electric
2216 rates in our state below the national average, which is very
2217 beneficial for low-income and rural residents who reside in
2218 my district. And so we must ensure that electricity
2219 consumers like those not only in my district but -- but many
2220 of your districts will continue to have access to affordable
2221 rates when upgrades are made to our transmission
2222 infrastructure. That's a great fear that I have. Although
2223 larger transmission projects are sometimes necessary, could
2224 we ensure -- and this is my question -- how could we ensure
2225 that transmission providers also invest in the types of less
2226 expensive non-wire alternatives that can keep rates low?

2227 *Ms. Hoffman. So thank you, Congressman, for the

2228 question. And it's very important as we think about
2229 transmission planning that we also consider non-transmission
2230 alternatives, energy storage, distributed energy resources,
2231 energy efficiency are all non-transmission alternatives that
2232 can provide a contribution as we move forward in meeting the
2233 President's clean energy goals.

2234 And so these are important aspects that every state must
2235 consider. Transmission planners will consider moving forward
2236 of the consumer engagement in this part of the conversation
2237 and say, "Look at their demand management," and say, "Look
2238 at their consumption." And so I think these are critical
2239 dialogues that the states and the utility industry can --
2240 moving forward, it's important to discuss non transmission
2241 alternatives.

2242 *Mr. Butterfield. Thank you for that. Electric
2243 utilities in my district -- and many of them are owned by
2244 municipalities, and some are owned by electric co-ops. But
2245 they are all dependent on the lines that other transmission
2246 providers operate to deliver electricity to their consumers.
2247 And so my question to you now is whether through the bills we
2248 are discussing today or -- or other things that we can do,
2249 how can we ensure that the services of existing electric
2250 utilities like those in my district remain robust when
2251 significant investments are made into our transmission
2252 infrastructure.

2253 *Ms. Hoffman. So Congressman, thank you for the
2254 question. You bring up a very important issue that we need
2255 to invest not only in the transmission system but have strong
2256 distribution utilities, whether it be investor, municipal or
2257 cooperative utilities because a lot of that interface is
2258 really at the distribution level to the consumers. And so
2259 reliability is more significant at the distribution system
2260 where a lot of the outages occur, is on the transmission or
2261 is on the distribution system.

2262 So technology investments, investment in the
2263 distribution system, is really important as we move forward.
2264 A lot of things the department has been looking at are things
2265 such as microgrids for -- or for building resilience, looking
2266 at sensing and tools for asset management in strengthening
2267 the distribution utilities. So all these are very important,
2268 and we have to take a holistic picture of an electricity
2269 delivery system that includes both the transmission and the
2270 distribution system.

2271 *Mr. Butterfield. Thank you very much, Ms. Hoffman.
2272 Mr. Chairman, I have 45 seconds remaining. I will compensate
2273 for Ms. Lesko's overrun, and we will cancel out each other
2274 and I will yield back. Yes. I am yielding back.

2275 *Mr. Rush. The gentleman yields back. The chair
2276 appreciates the gentleman's generosity. And now the chair
2277 recognizes the gentleman from the great state of Indiana, Mr.

2278 Bucshon, for five minutes.

2279 *Mr. Bucshon. Thank you, Mr. Chairman. There is no
2280 doubt that updating and modernizing our transmission
2281 infrastructure is vital to ensuring energy reliability. In
2282 fact, ensuring energy reliability should be the primary focus
2283 as we move to address these problems legislatively.

2284 Unfortunately, that's not the case. This is now the 7th
2285 legislative hearing the committee has held to review the
2286 CLEAN Future Act, and I wonder what progress has been made.

2287 We have seen no changes to the bill text or even any
2288 consideration that my colleagues on the other side of the
2289 aisle are open to making changes. Now, I understand that
2290 this bill, which is 981 pages and valued at over 500 billion
2291 in spending may require additional time to review because of
2292 its length.

2293 But again, I question how this action is helping the
2294 hardworking Americans that sent us here to represent them.
2295 So I urge this committee to get back to -- to working
2296 together. With respect to the legislation before us, I have
2297 heard specific concerns about overriding state and local
2298 energy policies, creating new problems by expanding FERC's
2299 transmission jurisdiction, passing the increase in energy
2300 prices off to the customers, failing to -- and failing to
2301 address the permitting process and timelines and not to
2302 mention any others.

2303 So who is it that usually stops infrastructure projects
2304 anyway when we try to do them even when funded? Well,
2305 honestly, it is mostly the Democrats and their supporters,
2306 trial lawyers, environmental activists. But my Democrat
2307 colleagues plan to now support the use of eminent domain, for
2308 example, to build EV charging stations and powerlines that
2309 supply them, ignore environmental standards if the line has
2310 to go across a river or a stream.

2311 My colleagues plan to force federal agencies like FERC
2312 and other really Democrat-dominated federal agencies at the
2313 career level to look the other way because if you don't, the
2314 proposals in the CLEAN Futures Acts can -- Act can't happen
2315 no matter how much money you throw at it. It's just not a
2316 practical timeline for the things that are being proposed.
2317 So Ms. Hoffman, infrastructure buildout takes years to
2318 accomplish, and that is assuming there are no delays in the
2319 process, which, for the reasons I just stated, trial lawyers,
2320 environmental activists, there will be decades of delays. We
2321 have seen this. I am not making this up. This happened in
2322 Indiana with Interstate 69 that we built from Evansville to
2323 Indianapolis. They started talking about it in 1969. And it
2324 is still not completed, and it will be completed maybe in a
2325 couple of years. What stopped it? Eminent domain, trial
2326 lawyers, environmental activists, and others.

2327 If these projects were cost-effective or economic, maybe

2328 it would be a different story, but they are not. But how do
2329 you expect a government works project that will be sure to
2330 displace real private investment keep that kind of schedule?

2331 I mean, how can you keep the kind of schedule you are
2332 proposing?

2333 *Ms. Hoffman. So thank you, Congressman, for the
2334 question. The department stands ready to try and utilize
2335 every authority it has available --

2336 *Mr. Bucshon. So you are going to support use of
2337 eminent domain to take over private land to develop your
2338 projects?

2339 *Ms. Hoffman. So the -- the Department of Energy is
2340 going to look at its authorities with respect to can it with
2341 technical assistance to the states with collaboration and
2342 transmission planning to best figure out where transmission
2343 can be developed.

2344 *Mr. Bucshon. So most transmission lines now aren't in
2345 the air. As you probably know, they are in the ground;
2346 right?

2347 *Ms. Hoffman. Yes. High-voltage --

2348 *Mr. Bucshon. That's just the way it is --

2349 *Ms. Hoffman. High-voltage --

2350 *Mr. Bucshon. -- for a variety of reasons. So you are
2351 going to -- will you guys support the fact that when you try
2352 to get transmission lines across the Ohio River in southern

2353 Indiana and Kentucky, will you support burying those
2354 underneath the Ohio River and coming across to do that? The
2355 power lines that are going to take to supply charging
2356 stations are not, you know, the electric cord you buy down at
2357 Home Depot; right? They are not 110 power outlets. These --
2358 unless you want to spend 40 hours charging your car.

2359 *Ms. Hoffman. So the high-voltage DC transmission lines
2360 are mostly underground. And they are part of the
2361 infrastructure.

2362 *Mr. Bucshon. And so are oil pipelines that have been
2363 shown to be the safest way to transmit oil; right? But that
2364 doesn't stop you all and the environmentalists from stopping
2365 those from happening, well, at least in the United States. I
2366 mean, you can build a pipeline from Russia to Germany, but
2367 you can't build one from Canada to the U.S. So this will be
2368 the same thing. So what you are saying is you don't think
2369 that there will be -- you don't think that your timeline is a
2370 problem?

2371 *Ms. Hoffman. Congressman, I think it's important for
2372 us to push our timeline to push the capacity and the
2373 capability with respect to the resources that the Department
2374 of Energy has to offer with assistance, coordination with the
2375 federal agencies. And so it is really trying to make a best
2376 effort to meet the timeline with the authorities but also the
2377 partnerships and collaborations that are necessary to get

2378 this done.

2379 *Mr. Bucshon. Fair enough. I yield back.

2380 *Mr. Rush. The gentleman yields back. The chair now
2381 recognizes the widow of our late and great colleague,
2382 Congressman Bob Matsui, Ms. Matsui, Ms. Doris Matsui, who is
2383 great in her own right. She is now recognized for five
2384 minutes.

2385 *Ms. Matsui. Thank you very much, Mr. Chairman. And I
2386 appreciate the hearing very much, and I appreciate also
2387 Assistant Secretary Hoffman for being here today as one of
2388 our witnesses. You know, throughout my time in Congress, I
2389 have spearheaded initiatives such as the Clean and Efficient
2390 Cars Act and enacted legislation to reauthorize the Diesel
2391 Emissions Reduction Act.

2392 Now, these efforts will help expedite the transition to
2393 light, medium, and heavy-duty electric vehicles and lower
2394 emission carbon emissions and air pollution from the
2395 transportation sector. Ms. Hoffman, how will transportation
2396 rectification affect the transmission system, and what
2397 actions should Congress take to ensure that a transmission
2398 system will meet the demands of this transition?

2399 *Ms. Hoffman. Thank you, Congresswoman, for your
2400 question. I think it's an exciting development and
2401 opportunity in the vehicle industry with electrification of
2402 vehicles, heavy-duty vehicles, the announcement of the Ford

2403 F-150 is an exciting opportunity as well as fixed-use
2404 vehicles in the continued electrification of those vehicles.
2405 With this, electrification requires or is going to end up
2406 resulting in an increase in demand for electricity and
2407 therefore really investments in our transmission but our
2408 distribution system as we look at charging stations and how
2409 we are going to build that infrastructure out.

2410 So recognizing this increase in demand, we are going to
2411 have to modernize our distribution system, look at
2412 technologies such as smart charging environments so that we
2413 can actually manage the different charging cycles with
2414 respect to electric vehicle and charging capacity.

2415 *Ms. Matsui. Okay. Well, thank you. In my home
2416 district, the Sacramento Municipal Utility District, also
2417 known as SMUD, has committed to decarbonization by becoming
2418 the first utility company in the nation to lay out a plan to
2419 completely eliminate carbon emissions from his power supply
2420 by 2030. To support the achievement of this ambitious goal,
2421 we must bridge the gap between clean energy generation from
2422 remote locations to urban areas such as Sacramento. Ms.
2423 Hoffman, what are the most important investments that
2424 Congress can make on our transmission system to support
2425 decarbonization of our power sector?

2426 *Ms. Hoffman. So thank you, and I recognize SMUD's
2427 achievement with respect to their goals and being a very

2428 forward-leaning utility and looking at decarbonization. With
2429 respect to investments on the transmission system and the
2430 priorities, really goes after increasing the capacity of the
2431 existing system with great enhancing technologies such as
2432 dynamic line rating, energy storage technologies, re
2433 conductor of our transmission system. And then it really
2434 goes after what is the investments needed to build new
2435 transmission in the United States, including high voltage DC
2436 transmission in a transmission planning process that allows
2437 for collaborative dialogue and interactions with the states
2438 on transmission planning.

2439 *Ms. Matsui. All right. Thank you. You know, one of
2440 our goals is we build back better to focus on environmental
2441 justice and energy equity. Initiatives like the TREES Act,
2442 my bill to reduce energy bills through residential tree
2443 planting can be used to lower home electricity costs while
2444 combating heat islands. Ms. Hoffman, in your testimony, you
2445 mentioned that an enhanced grid supports environmental
2446 justice and economic development and allows underrepresented
2447 and underserved communities to access clean energy. Can you
2448 explain how today's bills would support environmental justice
2449 and energy equity and how a robust transmission buildout will
2450 help achieve these goals.

2451 *Ms. Hoffman. Thank you, Congresswoman, for the
2452 question. Environmental justice is an important -- and

2453 energy justice is an important objective of the secretary.
2454 Justice40 is an effort looking at 40 percent of the benefits
2455 going to economic disadvantaged communities. As we look at
2456 transmission investments, one of the things that I can
2457 directly highlight is looking at the loan program office that
2458 does -- has the ability to provide loans to tribal nations
2459 for transmission development and infrastructure investments.
2460 And so that is an opportunity to really directly take
2461 advantage of it.

2462 But in addition, we look at transmission as being an
2463 economic enabler to allowing, as you have, access to reliable
2464 electricity. It is an incentive for economic development and
2465 manufacturing in the United States. And so a lot of that
2466 really provides opportunities in communities.

2467 *Ms. Matsui. Now, thank you very much, and I truly
2468 believe this is an important time to really consider all
2469 communities as we move forward and look at what we are going
2470 to be doing in the future. Thank you very much for your
2471 testimony, and I yield back.

2472 *Mr. Rush. The gentlelady yields --

2473 *Ms. Hoffman. Thank you.

2474 *Mr. Rush. -- back. The chair now recognizes the
2475 gentleman from the great state of Indiana, Mr. Pence, for
2476 five minutes.

2477 *Mr. Pence. Thank you, Chairman Rush, Ranking Member

2478 Upton, for holding his hearing, and thank you, Assistant
2479 Secretary Hoffman, for being with us today. You know, as the
2480 head of the Office of Electricity, you play a key role in
2481 advancing grid modernization efforts that could benefit the
2482 Hoosiers in my Indiana 6th District where we have coal,
2483 natural gas, wind, and solar.

2484 Modernizing our transmission system for the 21st century
2485 isn't a partisan issue. I am all of the above type of
2486 individual. However, the self-imposed timeliness, as you
2487 have heard today, of the CLEAN Future Act and the
2488 administration commitments, in my opinion, are unworkable,
2489 unrealistic, and may be incredibly costly. Earlier this
2490 year, I had the opportunity to sit down with Ms. Miso, I
2491 think which you mentioned earlier, in Carmel, Indiana. In
2492 their estimation, by 2030, ensuring reliability and
2493 affordability, generation mix in the region could be 32
2494 percent renewable energy and 55 percent fossil fuels. In
2495 other words, the lead entity ensuring reliability in my grid
2496 does not find it feasible to meet the administration's goal
2497 of carbon-free power by 2035 and the stringent timeline of
2498 the Democrats' clean energy standards. Our grid has taken
2499 over a century and a half to build, but some of my colleagues
2500 are talking about replicating this network in a mere 15
2501 years. We should be supporting private industry stakeholders
2502 across the country that are already investing to bring our

2503 shared goal into reality.

2504 In fact, just in Indiana, utilities across my state have
2505 invested over 2 billion annually to upgrade transmission and
2506 smart grid capabilities. There needs to be a landing strip
2507 for this committee to work together on modernizing our grid.

2508 This can be done by leveraging private investment into
2509 transmission technologies and maintaining local authority,
2510 which I, like my fellow Hoosier, Congressman Bucshon, has
2511 pointed out, that's a big deal in putting windmills and solar
2512 panels. It is just people have fought back at that tooth and
2513 nail.

2514 Pressuring utilities to meet unrealistic timeliness will
2515 only sacrifice reliability and will most likely lead to steep
2516 increases in electricity prices for my ratepayers and
2517 probably higher taxes. I wish my colleagues would support
2518 efforts to streamline permitting and construction costs to
2519 leverage private investment without superseding local
2520 authority.

2521 The ambitious timeliness to integrate renewable energy
2522 into our grid, rely too heavily on technology that, in my
2523 opinion, is not ready to provide sufficient service at a cost
2524 that is reasonable. You know, earlier you talked about
2525 technologies that would deliver to retail. I know that some
2526 of the things that are happening in Europe delivering
2527 charging stations, the locations have to spend, in some

2528 cases, millions of dollars to be able to put in the grid
2529 stations. I suggest that you take a look at that, and I'd be
2530 happy to help with that information.

2531 As one example, you already know modernized grids will
2532 need to provide dispatchable, flexible energy supply to make
2533 up for the variability of wind and solar. However, current
2534 battery storage technologies are not yet ready to provide
2535 more than a short-term backstop. Here is my question,
2536 Assistant Secretary Hoffman. Can you talk about some of the
2537 successful grid modernization R&D initiatives that the tools
2538 you mentioned earlier have helped the private sector to
2539 develop economic alternatives to achieve this
2540 administration's timeline?

2541 *Ms. Hoffman. So thank you, Congressman, for the
2542 question. Through the grid modernization initiative, we have
2543 really been working on developing advanced technologies and
2544 capabilities in support of the utility sector. And some of
2545 the things that we have looked at is sensors for asset
2546 management to improve the utilization of the electric grid.
2547 And so some of the --

2548 *Mr. Pence. If I may, just specifically, I am running
2549 out of time. So have -- has private industry implemented
2550 some of those things you have developed or recommend?

2551 *Ms. Hoffman. Congressman, yes.

2552 *Mr. Pence. Okay. Thank you, and Mr. Chair, I yield

2553 back. Thank you.

2554 *Mr. Rush. The gentleman yields back. The chair now
2555 recognizes the gentlelady from Florida, Ms. Castor, for five
2556 minutes.

2557 *Ms. Castor. Thank you, Mr. Chairman. I appreciate
2558 that we focused a lot about the cost on consumers and
2559 affordability during this hearing. The truth is the status
2560 quo is really hurting consumers. A January 2021 report from
2561 the Americans for a Clean Energy Grid found that the backlog
2562 in the interconnection queue is needlessly increasing
2563 electricity costs for consumers by delaying the construction
2564 of new projects, which are cheaper than the existing
2565 electricity production. It also found that the risk from the
2566 uncertainty of the interconnection process significantly
2567 increases the cost of capital for generation developers,
2568 private -- a lot of folks in the private sector, which
2569 increases the cost of energy for customers. So to address
2570 this traffic jam that we have, last week I introduced the
2571 Efficient Grid Interconnection Act to help families power
2572 their homes with affordable and abundant clean energy, reduce
2573 the costly transmission, congestion and help connect more
2574 low-cost renewable energy to the electric grid.

2575 Assistant Secretary Hoffman, thank you so much for being
2576 here today. There was another study last month out of the
2577 Lawrence Berkeley National Laboratory that found that about

2578 680 gigawatts of zero-carbon energy was stuck in these
2579 interconnection queues nationwide. That's nearly five times
2580 the nation's existing -- existing wind and solar capacity.
2581 The average wait time is about three-and-a-half years.

2582 So that's just completely frustrating, what businesses,
2583 what states, communities are trying to do, what the federal
2584 government is trying to do to increase clean energy. So tell
2585 us how -- and thank you because DOE provided some input on
2586 the -- on my bill. Just explain in real-world terms how
2587 everyday Americans would benefit by clearing out these
2588 interconnection queues.

2589 *Ms. Hoffman. Thank you, Congresswoman Castor, for your
2590 question, your comments, and your bill. The cost allocation
2591 and interconnection queues is a huge issue. I would say on a
2592 good -- on the positive side, it shows the excitement for the
2593 development of clean energy generation in the United States.

2594 It also identifies the challenges, the 3.5 years for getting
2595 a technology connected to the grid. And that is the purpose
2596 of an interconnection queue is to do a study on what system
2597 upgrades are required to allow that technology to connect to
2598 the grid. And so it's very important that we take a holistic
2599 approach as we think about the renewable energies, energy
2600 storage and technologies we want to connect to the grid, what
2601 the system upgrades are that are required and how to allocate
2602 cost for upgrading that system.

2603 And that is really the debate of the discussion around
2604 interconnection queues is how to best do that on an
2605 individual project basis or what some interconnections are
2606 doing as cluster studies. And so -- but this is a really
2607 important issue. It's under the jurisdiction of FERC. But
2608 the Department of Energy will continue to provide some
2609 technical assistance, as we have done through Lawrence
2610 Berkeley Laboratory to identify and help really analyze some
2611 of these issues.

2612 *Ms. Castor. And this would be a huge job creator.
2613 Don't you agree?

2614 *Ms. Hoffman. Yes, of course. Having the additional
2615 generation come onboard, there is different studies
2616 identifying the potential opportunities for job creation not
2617 only in the transmission side but on the generation side,
2618 good quality jobs, a variety of jobs from the engineering
2619 field to construction jobs to the service industry. So it is
2620 a very important topic.

2621 *Ms. Castor. I think we'll hear about that in the
2622 second panel as well. There -- on the transmission siting
2623 assistance, the help for states and local communities to do a
2624 lot of the planning that can save money and lawsuits down the
2625 road, your office is going to be tasked with providing that
2626 technical assistance. And you already explained to Chairman
2627 Pallone how it would help. But I want to ask you a slightly

2628 different question. If we were to increase development of
2629 these interstate high-voltage transmission lines, what impact
2630 do you think it will have on jobs in rural communities,
2631 middle America?

2632 *Ms. Hoffman. So thank you, Congresswoman, for the
2633 question. Once again, the transmission really provides
2634 access to clean energy resources, remote locations and really
2635 will bring it to all communities in the United States.
2636 Allowing for that access of clean energy allows for economic
2637 development. It allows for job creation. And so that really
2638 becomes the stimulus for a strong economy moving forward.

2639 And so rural communities will be able to take advantage
2640 of it as well as the administration's effort with energy
2641 justice and really concentrating on disadvantaged communities
2642 and allowing for those benefits to be clearly directed and
2643 allocated to communities is an important role.

2644 *Ms. Castor. Thank you very much. I yield back my
2645 time.

2646 *Mr. Rush. The gentlelady yields back. The chair now
2647 recognizes the gentleman from North Dakota, Mr. Armstrong,
2648 for five minutes.

2649 *Mr. Armstrong. Thank you, Mr. Chairman, and thanks for
2650 being here. So one of the things that's not in the CLEAN
2651 Futures Act is litigation reform. And I -- actually, the
2652 federal backstop authority, when we are talking about

2653 disagreement among states, is important. But, I mean, let's
2654 be -- people hate utilitarian infrastructure projects
2655 regardless of what they are. And I have been warning about
2656 this for even my -- longer than my time in Congress. The
2657 opponents of these projects are going to utilize a lot of
2658 what they have learned in pipeline litigation.

2659 I mean, these tactics have been being used against those
2660 types of projects for the last 20 years, and you are seeing
2661 it right now. You have the Missouri Grain Belt Express,
2662 which is essentially taking wind from Kansas and trying to
2663 transfer to the East Coast. And common carrier, public
2664 utility, eminent domain, all of those issues are being
2665 brought up. There was an offshore wind project in Martha's
2666 Vineyard that was opposed by commercial fishermen. It was
2667 opposed by a lot of other people, but that was the avenue in
2668 which they went with. And I think that's important; right?
2669 If you don't like the project, you don't necessarily oppose
2670 it in your backyard. You go to bottlenecks. You go to
2671 different places. I'll bring that up in a second. I mean,
2672 there was a Maine project that was only in Maine because New
2673 Hampshire had already denied it, which was bringing
2674 hydropower from Canada to New England. I mean, this isn't
2675 oil. This isn't coal. This isn't natural gas. This isn't
2676 nuclear. It is hydropower.

2677 And that was opposed, I mean, by the Sierra Club,

2678 landowners, and the oil and gas industry. Our -- the carbon
2679 industry. So as we talk about these things and we move
2680 forward and we are -- and, I mean, when we talk about
2681 collaboration between DOE and the states, I think before we
2682 get there, we have to talk about particularly where some of
2683 these bottlenecks occur. And I am just going to use Highway
2684 85 in North Dakota as an example. It's a -- it's an
2685 interstate highway. It connects the southern part of North
2686 Dakota to the northern part.

2687 We have a tremendous amount of oil and gas production up
2688 there, but we also have a lot of renewables out there. So
2689 just by going across that, because it's a natural bottleneck,
2690 you hit the National Park Service, the Fort Berthold
2691 Reservation, Lake Sakakawea, both the Missouri River and the
2692 Little Missouri Scenic River. So in order to deal with
2693 anything up there, you have to deal with the BIA, the EPA,
2694 FERC, DOT, Corps of Engineers, Interior, BLM, the Forest
2695 Service, the National Park Service, county zoning, county
2696 commission, North Dakota Petroleum Council, Department of
2697 Environmental Quality, and the Industrial Commission. And so
2698 when we talk about collaborating and doing all of these
2699 things, I think it's important to remember that most of the
2700 litigation around these things is actually -- and court
2701 decisions aren't actually -- it's on court interpretations or
2702 agency interpretation of a law or regulation and not the

2703 underlying law itself.

2704 Just my question for you from Department of Energy, who
2705 is in charge of, you know, safety, security, reliability of
2706 the grid, maybe before we go to collaborating with the
2707 states, we need to figure out how to shrink down the
2708 voluminous amount of paper we have to deal with in these
2709 bottlenecks because every single one of those pieces of paper
2710 is a potential litigation; right?

2711 A plaintiff's lawyer doesn't care if you complied with
2712 BLM if what you put in the Park Service permit was different.

2713 All they care about is the difference. And they don't have
2714 to win any of these. And before we talk about, you know,
2715 replacing existing transmission with more efficient
2716 transmission, I would just point to the Enbridge Pipeline in
2717 Minnesota; right? They are not putting a new pipeline in.
2718 They are taking an old pipeline and replacing it in the same
2719 spot with a new pipeline. So these are all things that,
2720 again, I think -- I think it's been borne out; right? If --
2721 if you care about a monarch butterfly or a prairie chicken or
2722 a sage grouse or any of those different things, we didn't
2723 even talk about the Environment Endangered Species Act. You
2724 don't particularly care what's bifurcating the habitat. You
2725 just care that the habitat is being bifurcated.

2726 So are you guys working with other federal agencies to
2727 figure out -- I -- I just personally -- I am an old trial

2728 lawyer. So I think the less amount of paper, the less
2729 litigation you have. So when we are dealing with these
2730 issues, how are we going to coordinate amongst federal
2731 agencies, so people only have to -- only have to reply once
2732 to one thing? Because under current law, you have to reply
2733 to every single one of them.

2734 *Ms. Hoffman. So Congressman, thank you for the
2735 comments, and you bring up the crux of the issue and the
2736 heart of the issue with respect to litigation of projects.
2737 And projects are litigated. And the need here is really
2738 having folks as collaborating agencies. So we do the process
2739 once and not more of a linear process that ends up going back
2740 and forth and creates more paperwork and more volumes of
2741 materials. And so I think we have to think about this. I
2742 think we have to really think about how agencies can be
2743 collaborating agencies, so we do the process once. But you
2744 really highlight the crux of a huge challenge in building
2745 infrastructure in the United States.

2746 *Mr. Armstrong. And I just want to be clear before I
2747 end with four seconds. We need to do it with the states too,
2748 but I think the federal government needs to get its house in
2749 order first. Thanks.

2750 *Ms. Hoffman. Yes, sir.

2751 *Mr. Rush. Does the gentleman yield back? The
2752 gentleman yields back?

2753 *Mr. Armstrong. I yield back.

2754 *Mr. Rush. The chair now recognizes the gentleman from
2755 Vermont, Mr. Welch, for five minutes.

2756 *Mr. Welch. Thank you very much. Ms. Hoffman, thank
2757 you for your very helpful testimony. Can you outline some of
2758 the really practical impediments about building out the grid
2759 so that we actually can transport renewable energy to where
2760 it is needed? Also, are there some things that can be done
2761 on the permit process that will expedite it obviously without
2762 compromising local concerns and environmental concerns?

2763 *Ms. Hoffman. So thank you, Congressman, for the
2764 question. And the impediments for building transmission
2765 really come in several categories. One is financing of
2766 transmission. The second is permitting of -- permitting and
2767 siting of transmission and making sure that the costs are
2768 allocated appropriate for transmission as well as being able
2769 to come up with a national transmission plan and looking at
2770 planning of transmission moving forward. So I would say that
2771 those were the major challenges that we all face in looking
2772 at how we build this important infrastructure moving forward.
2773 With respect --

2774 *Mr. Welch. Well, I want -- I want to say --

2775 *Ms. Hoffman. -- to your second --

2776 *Mr. Welch. I want to stay -- go ahead. I wanted to
2777 stay on that a bit because we are all interested in getting

2778 the transmission seat -- system we need for reliability and
2779 also to get the power from where it's generated to where it's
2780 needed. But is there progress that's being made on the very
2781 real-world challenges about how you permit that, and will the
2782 transmission, is it anticipated, that will mainly be in high-
2783 transmission wires?

2784 *Ms. Hoffman. So thank you for the question. I do
2785 believe there is progress being made as we look at technology
2786 solutions with respect to increasing the efficiency of the
2787 transmission system as well as a recognition by the states,
2788 the need for transmission to really enable clean energy
2789 deployment. Nineteen states have targets for net zero as
2790 well as other states have enabled utilities or really
2791 directed utilities to invest in clean energy. So I think the
2792 movement and the recognition is there. Now, the procedural
2793 ways of how do we become collaborating entities as we look at
2794 transmission siting, and that is real -- or permitting, that
2795 is really where we are going to have to go after moving
2796 forward to continue to make progress.

2797 *Mr. Welch. Okay. What are the benefits of the
2798 President's proposed grid deployment authority?

2799 *Ms. Hoffman. So thank you. The grid deployment
2800 authority provides an opportunity for us to really bring
2801 together the authorities in the department as well as the
2802 technical assistance that the department would provide under

2803 one umbrella or under a central location so that we can be
2804 very effective as we look at transmission development. You
2805 can take a look at the example of, say, offshore wind and
2806 where we really want to do that technical assistance, the
2807 consultation with the states as well as a -- a transmission
2808 planning strategy moving forward.

2809 *Mr. Welch. Representative Clark and I are going to be
2810 introducing the Federal Energy Efficiency Standard. What
2811 role do you see that as potentially playing in achieving the
2812 goal of massive reduction of carbon emissions?

2813 *Ms. Hoffman. Thank you, Congressman. Non transmission
2814 alternatives such as energy efficiency, demand response,
2815 energy storage all play an important role with respect to
2816 consumer engagement and onsite resources in supporting the
2817 administration's goals. So those are opportunities really to
2818 really get ahead of the game by instilling in really
2819 deploying energy efficiency measures.

2820 *Mr. Welch. Okay. Thank you very much. Mr. Chairman,
2821 I yield back. Thank you for the excellent hearing.

2822 *Mr. Rush. The gentleman yields back. The chair now
2823 recognizes the gentlelady from New Hampshire, Ms. Kuster, for
2824 five minutes. The chair now recognizes the gentlelady from
2825 New Hampshire, Ms. Kuster, for five minutes.

2826 *Ms. Kuster. Thank you so much, Mr. Chairman. I am
2827 very grateful for you taking the time and for the opportunity

2828 to hear again from Acting Assistant Secretary Hoffman. As
2829 you referenced in your testimony, the evolution to a clean
2830 grid poses significant challenges for how our nation moves
2831 electricity. Our most promising sources of wind energy are
2832 in the interior and offshore, far away from the major urban
2833 areas where electricity is most needed.

2834 So we must reevaluate how the grid operates and where it
2835 is built to take advantage of these resources. This is no
2836 small task and an issue that the subcommittee should examine
2837 in a bipartisan way. New England is blessed with vast
2838 offshore wind resources which, if properly utilized, have the
2839 potential to meet the region's energy needs. ISO New
2840 England, the entity responsible for managing our power
2841 markets in the Northeast recently conducted a study of the
2842 region's ability to incorporate offshore wind into the grid.
2843 It found that the southern part of our grid could take
2844 roughly 6 gigawatts of new offshore wind before serious
2845 upgrades to the region's transmission infrastructure are
2846 necessary.

2847 So Acting Assistant Secretary Hoffman, how could
2848 President Biden's American Jobs Plan help New England meet
2849 its carbon-free energy production goals through transmission
2850 infrastructure improvements?

2851 *Ms. Hoffman. So thank you, Congresswoman, for the
2852 question. I think you highlighted, really, the important

2853 opportunity, which is really to be able to access that
2854 generation that's available in the New England states and be
2855 able to access that for the benefit of the consumers in the
2856 region. Transmission also provides the opportunity where
2857 necessary and needed is to be able to transmit clean energy
2858 generation from other regions of the country as well as
2859 supporting the reliability/resilience of the region when it -
2860 - resources potentially are not available. So from a
2861 perspective, transmission is really a key component and
2862 attribute to the clean energy strategy. It is a must-build
2863 investment as we move forward. And I -- I appreciate your
2864 question.

2865 *Ms. Kuster. Great. Thank you. Now, one of the
2866 barriers to bringing new clean energy resources online are
2867 interconnection queues where projects wait as the cost of
2868 plugging them into the grid is evaluated.

2869 Once that cost is determined, clean energy producers are
2870 forced to pay for any upgrades necessary to move new clean
2871 electricity onto the grid. However, when a project in New
2872 England is necessary for the grid's reliability, the costs of
2873 the upgrade are spread throughout the market. Our country,
2874 our planet faces an existential threat due to climate change.
2875 In the same way that everyone benefits from reliable
2876 electric grid, so too will all customers benefit from a clean
2877 grid.

2878 And a grid with more clean energy resources is also a
2879 more reliable grid. Acting Assistant Secretary Hoffman, what
2880 role could the DOE play in supporting our efforts to make
2881 interconnection queues more efficient and ensure that cost of
2882 plugging new projects into the grid are allocated fairly?

2883 *Ms. Hoffman. So thank you, Congresswoman, for the
2884 question, and it's a really important issue that you bring up
2885 to be addressed as part of this hearing today in that the
2886 interconnection queue is a roadblock with respect to how do
2887 we get more clean energy deployed on the electric grid. The
2888 Department of Energy does not have the primary responsibility
2889 for cost allocation with respect to technologies that are in
2890 the interconnection queue. But we do have the resources of
2891 the national laboratories to really take a hard look at the
2892 generation that is in the interconnection queue, upgrade
2893 requirements, the benefits and approaches for thinking about
2894 how to be innovative with respect to cost allocation moving
2895 forward, going beyond a single generator being responsible
2896 for providing upgrades to really looking at some of the
2897 approaches that others are taking of -- of really cost
2898 cluster studies or other opportunities for our cost
2899 allocation moving forward.

2900 And so I think the value that we have is really looking
2901 at what is the optimal sense -- set of upgrades that could be
2902 done. How do we minimize the cost? But how do we really

2903 look at the strategy for allocating cost?

2904 *Ms. Kuster. Great. Well, thank you very much. I did
2905 have one more question that I'll submit for the record on how
2906 we can most effectively incorporate clean electricity
2907 projects into our existing transmission infrastructure. But
2908 my time is up, and Mr. Chairman, I yield back.

2909 *Mr. Rush. The gentlelady yields back. The chair now
2910 recognizes the gentlelady from California, Ms. Barragan, for
2911 five minutes.

2912 *Ms. Barragan. Thank you, Chairman Rush, for holding
2913 this important hearing on how investing in a national U.S.
2914 power grid would make electricity cleaner and cheaper while
2915 creating hundreds of thousands of jobs. As we see heat waves
2916 and record temperatures throughout the West, this puts a
2917 strain on our electric grid. Power outages are a constant
2918 concern and can endanger people who lose air conditioning and
2919 are unable to escape the heat. Assistant Secretary Hoffman,
2920 a recent 2021 Government Accountability Office report on the
2921 impact of climate change on the electric grid recommended a
2922 Department of Energy-wide strategy to enhance the resilience
2923 of the grid to climate change. Is there a department-wide
2924 strategy to improve the resilience of the grid to climate
2925 change or plans to create one?

2926 *Ms. Hoffman. So thank you very much for the question.
2927 I will take that question back, but I do believe that the

2928 department is looking at a climate strategy with respect to
2929 climate adaptation but look at the resilience of the electric
2930 grid. We have had several efforts where we have looked at
2931 how do we harden our infrastructure. How do we look at
2932 investments, whether it's local generation, distributed
2933 energy resources, microgrids, looking at a wide variety of
2934 technology solutions for investing in the resilience of our
2935 electric grid as well as evaluating interdependencies in
2936 different -- what I will say, extreme weather conditions that
2937 could impact the operations of the electric grid. So I thank
2938 you for your question, and I look forward to the further
2939 dialogue that we can have on this topic.

2940 *Ms. Barragan. Well, thank you. My next question is to
2941 connect renewable projects to the transmission grid in a
2942 timely and cost-effective manner, interconnection reform is
2943 essential. While the current process worked when we
2944 connected large power plants to the transmission grid,
2945 looking ahead, we will have smaller but more numerous
2946 renewable projects seeking interconnection. Connecting a
2947 renewable project to the grid could take around three years.
2948 What is the most efficient way to promote interconnection for
2949 renewable projects to the transmission grid?

2950 *Ms. Hoffman. So thank you, Congresswoman, for that
2951 question. The interconnection queue is one of the biggest
2952 challenges for connecting generation to the electric grid.

2953 And really, analysis needs to be done on how do we do this in
2954 a very streamlined fashion. Individual project analysis for
2955 interconnection studies are not the most efficient way to go
2956 in moving forward. So although the interconnection queue is
2957 not -- and cost allocation under that is not the
2958 responsibility of the department, I do believe the department
2959 can provide some analysis on system upgrades, really looking
2960 at priorities for upgrades and maybe taking a larger, more
2961 systematic approach in analysis through the national
2962 laboratories to help streamline and maybe move the
2963 interconnection queue process moving forward.

2964 *Ms. Barragan. Thank you. My last question is how can
2965 building a national energy grid help support the deployment
2966 of electric vehicles throughout the country?

2967 *Ms. Hoffman. So thank you very much for the question.
2968 It's a huge opportunity, as we continue to invest in
2969 technologies that will accelerate the electrification of our
2970 vehicle fleet in the United States. The transmission system
2971 plays a critical role in enabling that continued advancement
2972 in the -- in the transportation sector. What we really want
2973 to do is really upgrade the distribution system, make sure
2974 that we have smart charging for -- as incorporated as part of
2975 the distribution system so that we can actually charge with
2976 providing charging electric vehicles while providing minimal
2977 impact to the distribution system. So some of those are the

2978 technology and operational areas that we can invest in moving
2979 forward.

2980 *Ms. Barragan. Well, thank you, Assistant Secretary,
2981 for your testimony and your work. We, the committee, and
2982 myself are looking forward to working with you to address
2983 this critical issue, along with climate, environment, energy.

2984 And thank you, Mr. Chairman. With that, I yield back.

2985 *Mr. Rush. The gentlelady yields back. And with that,
2986 this concludes our first panel of witnesses. Madam Assistant
2987 Secretary Hoffman, I want to thank you for appearing before
2988 the subcommittee today. Thank you for your excellent
2989 testimony and for your endurance. You answered our --
2990 answered the questions of our members to their greatest
2991 conclusion, and we certainly want to commend you for your
2992 appearance and for your answers. This concludes our first
2993 panel.

2994 And we have a vote that is occurring on the floor. So
2995 the chair would ask that the committee stand in recess for -
2996 until 10 minutes after the final vote is taken and before the
2997 last vote -- 10 minutes after the last -- after the end of
2998 the last vote. So I would -- the committee now stands in
2999 recess until 10 minutes and -- after the conclusion of the
3000 last vote.

3001 [Recess.]

3002 *Mr. Rush. The Subcommittee on Energy will now come to

3003 order. And this is our phase two. And we ask -- we have
3004 before us four new witnesses for the second panel of
3005 witnesses for today's hearing. And it's my privilege now to
3006 introduce those witnesses. First is Dr. Susan Tierney. Dr.
3007 Tierney is a senior advisor for the analysis group. A second
3008 witness is Mr. Rob Gramlich, who is the founder and president
3009 of Grid Strategies, LLC.

3010 Next, we have Mr. Lee Anderson, government affairs
3011 director of the Utility Workers Union of America. And last
3012 but not least, the Honorable Tony Clark, who is the senior
3013 advisor for Wilkinson Barker Knauer, LLP. And I want to
3014 thank each and every one of our witnesses for joining us
3015 today. And we look forward to your testimony.

3016 Dr. Tierney, you are now recognized for five minutes,
3017 Dr. Tierney. You are muted, Dr. Tierney. Please unmute
3018 yourself.

3019 Dr. Tierney is experiencing some technical difficulties,
3020 so why don't we proceed until we are able to eliminate the
3021 technical difficulties for Dr. Tierney?

3022 Mr. Gramlich, you are now recognized for five minutes.

3023

3024

3025 STATEMENT OF SUSAN TIERNEY, PH.D., SENIOR ADVISOR, ANALYSIS
3026 GROUP; ROB GRAMLICH, FOUNDER AND PRESIDENT, GRID STRATEGIES,
3027 LLC; LEE ANDERSON, GOVERNMENT AFFAIRS DIRECTOR, UTILITY
3028 WORKERS UNION OF AMERICA; AND TONY CLARK, SENIOR ADVISOR,
3029 WILKINSON BARKER KNAUER, LLP

3030

3031 STATEMENT OF ROB GRAMLICH

3032

3033 *Mr. Gramlich. Thank you, Chairman Rush, Ranking Member
3034 Upton, members of the subcommittee for holding this important
3035 issue focusing on transmission and inviting me to testify.
3036 My name is Rob Gramlich. I work with clean energy buyers and
3037 sellers, states, grid operators, and others interested in
3038 low-cost decarbonization and grid resilience. A few of my
3039 reports were mentioned in the committee memo with Americans
3040 for a clean energy grid, which is one group that I lead. And
3041 my background has been on transmission and power markets my
3042 entire career. My public-sector experience was with a
3043 chairman of FERC. He was a Republican member and appointed
3044 by President Bush. And I note that last time I was here, I
3045 was a Republican witness, and the hearing was actually very
3046 similar, the content of the hearing. A couple of the
3047 witnesses are the same, and I am going to say the same exact
3048 thing. So I hope I don't disappoint you. But I say that
3049 because transmission is a bipartisan issue. It is and it

3050 should be back in those days when the Bush team was in charge
3051 around here. Transmission was more led by Republicans.
3052 These days, you see more Democrats out front.

3053 But whoever is out front, I think both sides can get on
3054 board. And we have just a couple of differences from that
3055 May 2018 hearing, and that is that we have some -- a few
3056 specific legislative provisions now to discuss that have been
3057 vetted over the last few years since that hearing, and I
3058 think the politics and the policies are now ready to go, and
3059 it is time for Congress to act.

3060 A few bipartisan messages while I am on that theme are,
3061 number one, everyone wants reliable and resilient power. A
3062 lot of the discussion this morning was about interregional
3063 transmission. Well, whatever you think about how much we
3064 need to decarbonize or how fast, that same interregional
3065 transmission is exactly what we need to keep the lights on.
3066 We saw what happened in Texas when their interregional
3067 capacity was limited. That is not what anybody wants to see.

3068 The other regions that had interregional transmission
3069 capacity did keep the lights on. People were safe.

3070 So for whatever reason you might come to, interregional
3071 and large regional transmission capacity and delivering power
3072 over large geographic areas is critical to our safety, to our
3073 economy, to just about everything we do in modern society at
3074 home and at work. So everyone wants reliable power.

3075 Transmission is critical to that. Number two, another
3076 bipartisan message, I think, is that transmission should be
3077 planned for future load and generation. A lot of utilities,
3078 a lot of end-use customers have certain resource choices that
3079 they are making. Whether or not they are driven by federal
3080 policy or state policy, whatever has motivated them, we know
3081 a lot about what the resource mix is that consumers are
3082 asking for and that utilities are putting into their plans.
3083 And so it seems just obvious that we should plan the
3084 transmission system for those generating resources. We know
3085 the generation side about as much as we know the load side.
3086 We can estimate both. We need to plan the transmission to
3087 connect the two.

3088 Number three bipartisan message, the barriers to
3089 building large-scale regional and interregional transmission
3090 fall into the categories of -- we call them the three P's,
3091 planning, permitting, paying. You heard about that this
3092 morning. I think both sides acknowledge the barriers there
3093 and also that public policy changes are needed to address
3094 those barriers. And then finally in the context of the news
3095 today and this week about infrastructure legislation,
3096 hopefully bipartisan, transmission is infrastructure. In
3097 fact, it is underlying core infrastructure when you think
3098 about how necessary it is for food, water, medical, and first
3099 responder services. All of those other infrastructure types

3100 rely on electricity, which relies on transmission. So
3101 transmission is really fundamental infrastructure for modern
3102 society.

3103 So those four points, I think, reflect -- provide a
3104 good, solid bipartisan foundation for this hearing and this
3105 committee's work. And in my written testimony, I comment on
3106 some of the specific provisions that were put forth for this
3107 hearing. I think the CLEAN Future Act, Section 211 to 218 or
3108 the transmission provision -- provisions, those are a great
3109 start. There are a couple of updates or more recent
3110 modifications, including Representative Casten's
3111 interregional planning bill, H.R. 2678; Representative
3112 Peters' POWER ON Act, H.R. 1514; Representative Castor's new
3113 interconnection bill. I also recommend a provision that is
3114 over in the Senate side, the Manchin -- Senator Manchin
3115 Discussion Draft on a transmission facilitation program. I
3116 know the tax credit is not in this committee's jurisdiction,
3117 but that would be great for transmission. And so with that,
3118 my time is up, and I will turn it back. Thank you very much
3119 for having me.

3120 [The prepared statement of Mr. Gramlich follows:]

3121

3122 *****COMMITTEE INSERT*****

3123

3124

3125 *Mr. Rush. Thank you, Mr. Gramlich. And now we'll
3126 return back to regular order. I understand that Dr.
3127 Tierney's microphone is working. So Dr. Tierney, you are
3128 recognized for five minutes for the purposes of an opening
3129 statement.
3130

3131 STATEMENT OF SUSAN TIERNEY

3132

3133 *Dr. Tierney. Chairman Rush, thank you for your
3134 patience. I am really sorry. We try to get this right every
3135 time, and sometimes there is blips. Ranking Member Upton and
3136 members of the subcommittee, it is just wonderful to be here,
3137 and I really appreciate it. I have two main points to share
3138 with you today.

3139 First, expansion of the nation's electric grid is
3140 essential to our country's energy transition. And second,
3141 the bills at the heart of today's hearings would
3142 constructively address very persistent impediments to
3143 planning for, investment in, and siting of transmission
3144 infrastructure that is so needed for the U.S. electric system
3145 to be fit for purpose in the 21st century.

3146 I am testifying here on my own behalf. But in my
3147 written and oral testimony, I point to various relevant
3148 findings and recommendations of several reports of the
3149 National Academies, committees on which I have recently
3150 served. These committees recently released two reports, the
3151 Future of the Electric Power Study and a Decarbonization
3152 Study.

3153 I am extremely pleased that many of the findings and
3154 recommendations in our two reports aligns so strongly with
3155 the purposes and provisions of the bills. The four bills

3156 under consideration would deftly tackle many of the toughest
3157 challenges that frustrate responsible expansion of the
3158 nation's transmission grid.

3159 Let me go through five challenges very briefly. The
3160 first is addressing difficulties in siting interstate
3161 transmission projects and regions' public policy objectives
3162 such as opening up access to renewable energy resources,
3163 reducing local pollution, and reducing congestion and cost to
3164 consumers.

3165 The CLEAN Future Act would provide needed clarity on the
3166 goals that may be supported by transmission expansion and
3167 include not only electric system reliability and economic
3168 efficiency but also reducing air pollution and providing
3169 access to regions with abundant renewable resources.

3170 The National Academies' Future of Electric Power Study
3171 recommended that Congress establish a national transmission
3172 policy to rely on the transmission system to support energy
3173 diversity, energy security, the nation's equitable transition
3174 to lower carbon energy system. And the decarbonization study
3175 made similar recommendations. The CLEAN Future Act nicely
3176 articulates such important elements of a national
3177 transmission policy.

3178 Challenge No. 2, facilitating development of economical
3179 renewable electricity projects by planning for and opening up
3180 transmission access to regions with abundant and high-quality

3181 renewable energy. The CLEAN Future Act would broaden the
3182 current definition of national interest transmission
3183 corridors to focus on those that are high priority for saving
3184 consumers money and for accessing and integrating location-
3185 specific renewable resources.

3186 The Interregional Transmission Planning and Improvement
3187 Act would direct FERC to take rulemaking steps to increase
3188 the effectiveness of interregional transmission planning.
3189 These bills would address important potential transmission
3190 connections across regions to help with reliability,
3191 resilience, access to transmission to make sure that
3192 renewable resources are available.

3193 Challenge No. 3, strengthening the role of national
3194 needs in regulatory approvals of certain interstate
3195 transmission construction projects. The CLEAN Future Act
3196 would clarify the conditions under which FERC would have
3197 authority to issue permits for construction of transmission
3198 projects in high-priority corridors and encourage the states
3199 to look at regional benefits when they review projects within
3200 their own borders.

3201 Challenge No. 4, recognizing the benefits that accrue to
3202 states and their citizens, when, through transmission
3203 enhancements, they have access to broader interstate
3204 electrical regions and to the economic resiliency,
3205 reliability, and public health outcomes that those larger and

3206 more diverse regions can provide. The CLEAN Future Act would
3207 direct FERC and the Department of Energy to undertake and
3208 implement actions to improve this transmission planning.

3209 And each of the four bills that are under consideration
3210 here today would help with that. Finally, there are two
3211 other elements that address the fifth challenge of ensuring
3212 that transmission enhancements only occur when they are
3213 needed. And this is done through the CLEAN Futures Act
3214 clarification of the importance of non-wires alternatives in
3215 avoiding transmission where possible.

3216 And secondly, the CLEAN Future Act and the POWER ON Act
3217 would support the essential role that tribes, localities and
3218 states must play in transmission planning and energy facility
3219 siting. The Academies' Future of Electric Power Study and
3220 the Decarbonization Study recommended the same financial
3221 incentives and analytic support to states, tribes and
3222 localities so that they can have a meaningful role in this
3223 process. Thank you.

3224 [The prepared statement of Dr. Tierney follows:]

3225

3226 *****COMMITTEE INSERT*****

3227

3228

3229 *Mr. Rush. I want to thank you.

3230 Our next witness is Mr. Lee Anderson. Mr. Anderson, you
3231 are -- have five minutes for the purposes of an opening
3232 statement.

3233 *Mr. Anderson. Thank you, Mr. Chairman. Can you hear
3234 me okay?

3235 *Mr. Rush. I hear you quite well. Thank you.

3236

3237 STATEMENT OF LEE ANDERSON

3238

3239 *Mr. Anderson. Thank you, Chairman Rush. Thank you to
3240 Ranking Member Upton and to the distinguished members of the
3241 subcommittee. My name is Lee Anderson. I am the government
3242 affairs director for the Utility Workers Union of America.
3243 Our union represents around 50,000 workers in the electric,
3244 gas and water utility sectors. Our members have deep
3245 experience in operating, maintaining, and repairing the
3246 transmission grid. These are highly skilled jobs, and many
3247 of these disciplines require individuals to participate in an
3248 apprenticeship consisting of a thousand hours of on the job
3249 training delivered through labor management partnerships and
3250 include attendance at community colleges and other training
3251 facilities.

3252 Just as businesses depend on transportation systems such
3253 as roads, railways, and ports for delivery of goods and
3254 services, electricity requires its own transportation. The
3255 wires needed to carry the electrons that are our product.
3256 Power transmission is, in that respect, perhaps more
3257 fundamental to underpinning the entire economy than any other
3258 system.

3259 By some estimates, transmission investment holds the
3260 potential to create upwards of 240,000 direct jobs just in
3261 the buildout of those systems alone. In the emerging

3262 offshore wind industry, for example, we see an industry which
3263 will require thousands of new workers to be trained for
3264 integrating power into the grid via transmission
3265 infrastructure to move the electrons from the towers to the
3266 shore and on to the load centers.

3267 We see several examples as to how transmission
3268 investment will benefit buildout of the transmission grid for
3269 the offshore industry in some early areas. In Massachusetts,
3270 transmission terminations are planned to be at the Mystic
3271 Power Plant site and the former Pilgrim Nuclear Station.
3272 Also at the former Brayden Point Power Plant site, the
3273 planned Anbaric Renewable Energy Center will include an
3274 offshore wind logistics port, a manufacturing hub and support
3275 center, a battery storage facility, a converter station and
3276 solar power arrays.

3277 In Connecticut, transmission terminations are planned to
3278 be at the Bridgeport Power Plant, previously the site of one
3279 of the last coal fire power plants in New England. The
3280 project would now share that location with a new gas-fired
3281 power plant, making the site itself a blend of generation
3282 technologies.

3283 In New York, the UWUA has partnered with community
3284 colleges and offshore developers to begin designing a
3285 training program for the necessary workers. Here again, some
3286 of the earliest jobs will be in transmission upgrades and

3287 buildout at sites around New York City. Another example of
3288 how a significant transmission buildout can transform the
3289 grid and grow the economy is with advanced nuclear
3290 technology.

3291 Recently, Energy Secretary Jennifer Granholm, Governor
3292 Mark Gordon, and Senator John Barrasso came together in
3293 Wyoming to announce that an advanced nuclear reactor built in
3294 partnership by TerraPower and Pacificorp would be located in
3295 that state. Training former coal fire power plant workers to
3296 work in a nuclear power plant not only solves the challenge
3297 utility space as they work to enhance grid reliability and
3298 stability while meeting decarbonization and emissions
3299 reduction goals but also supports high-paying union jobs that
3300 will last decades while reestablishing a highly specialized
3301 nuclear talent pipeline.

3302 However, without the energy highways, linking our
3303 members in Wyoming to large population centers in surrounding
3304 states, the future of their energy jobs would be bleak. In
3305 this respect, transmission lines are truly economic lifelines
3306 for what would otherwise be stranded workers and communities.

3307 If the future of power generation is tech neutral, as we
3308 believe, nothing is more integral nor more tech neutral than
3309 the transmission systems that will carry the electrons from
3310 every power source in America to load centers around the
3311 country. These kinds of large-scale transmission investments

3312 are exactly how an already existing and experienced workforce
3313 will pave the way to an all of the above energy future. The
3314 health of our communities, well-being of our union's members
3315 and competitiveness of our economy requires this type of
3316 action. I thank you for the opportunity today to be a part of
3317 these proceedings. I look forward to answering your
3318 questions.

3319 [The prepared statement of Mr. Anderson follows:]

3320

3321 *****COMMITTEE INSERT*****

3322

3323

3324 *Mr. Rush. The chair thanks Mr. Anderson.

3325 Mr. Clark, you are now recognized for five minutes for

3326 purposes of an opening statement.

3327

3328

3329 STATEMENT OF TONY CLARK

3330

3331 *Mr. Clark. Thank you, Chairman Rush, Ranking Member
3332 Upton, and members of the committee. It is a pleasure to be
3333 with you here today. For your record, my name is Tony Clark,
3334 senior advisor at Wilkinson Barker Knauer and former FERC
3335 commissioner, in which capacity I have appeared before you in
3336 the past.

3337 I will begin by emphasizing something that I think you
3338 have heard a lot today from all of the panelists and, indeed,
3339 from members of the committee, which is the importance of
3340 electric transmission, as it is an integral part of the
3341 electricity delivery system in our country. Properly
3342 planted, constructed high-voltage transmission facilitates
3343 numerous customer benefits.

3344 When it comes to reforming transmission policy, I'd urge
3345 the committee to follow the following principles. First of
3346 all, bottoms up, not top down. Any regional effort or any
3347 effort at interregional and regional planning and cost
3348 allocation for electric transmission should reflect the plans
3349 that are developed first at the state and local levels. They
3350 should not be an imposition of a predetermined federal
3351 solution that may not meet the needs of end-use customers in
3352 each of the states. Put another way, transmission and
3353 generation projects exist to support consumers. Consumers do

3354 not exist to support specific generation and transmission
3355 projects. As such, any regional or interregional
3356 coordination must build upon what is being done at the state
3357 and utility level, not the other way around.

3358 Second, respect regional differences. There is no one
3359 size-fits-all when it comes to generating and transmitting
3360 electricity in the United States. This is a large country
3361 with diverse natural resource bases, very different regional
3362 supply and demand characteristics. This diversity should
3363 caution against the federal government adopting policies that
3364 assume all regions need to -- need to meet their needs in the
3365 exact same way.

3366 Indeed, transmission might be the best way to serve
3367 customers in a particular state or region. But in another
3368 state or region, those goals might be better met by
3369 accessing, for example, generation that is closer to load.
3370 Having said that, I do fully support efforts to decrease
3371 roadblocks to needed transmission investment. I would say as
3372 a side note, I was heartened recently by an announcement by
3373 FERC and NARUC, the association that represents state utility
3374 commissioners of a federal task force on electric
3375 transmission.

3376 It seems to me that those sort of bottom-up efforts are
3377 exactly the kind of collaborative approaches that can ensure
3378 customers are put at the center of a grid energy -- energy

3379 grid transition. Yet I would be remiss if I did not note my
3380 concerns that I had outlined in my submitted testimony that I
3381 do have with certain aspects of the pending legislation.

3382 I believe that -- that the wrong outcome would be to put
3383 the federal government in the position of determining for
3384 states how their customers should be served. What I don't
3385 think you would want to have happen is someone sitting in a
3386 conference room in Washington, D.C. drawing bubbles around
3387 certain areas of the map where there are windy areas and
3388 other areas of the map where there are load centers and then
3389 drawing a line in between the two and developing plans based
3390 simply off that.

3391 Under that scenario, you could see, then, the power of
3392 the federal government being able to overrule local siting
3393 and zoning protections. Once completed, those projects -- it
3394 is at least not outside the realm of possibility that the
3395 cost for those could be socialized across interconnection.
3396 That sort of income could have unintended consequences on
3397 local sources of generation, potentially consumer costs,
3398 other clean energy investments that are already being made at
3399 the local level and operations on the RTOs and ISOs
3400 themselves.

3401 Now, while that outcome may not be what the committee
3402 intends, the language of the bill, at least as written, would
3403 not seem to entirely preclude such a process either. If it

3404 is not the intention of the committee, my suggestion would be
3405 to simply say so in the bill itself. Finally, I would
3406 recommend deleting closely related language mandating RTOs
3407 and ISOs and establishing a so-called, quote/unquote, right
3408 to clean energy.

3409 While I believe RTOs do certain things well, they may
3410 not be the only way to achieve clean energy goals. In fact,
3411 RTOs were not really designed to promote one particular
3412 resource over another, and they are not a cure-all for
3413 procuring clean energy. This conundrum is at the heart of
3414 the present multiple crises existing -- in existing RTOs
3415 related to price formation challenges and states that are
3416 unhappy with the generation resource mix that are being
3417 procured by the RTO.

3418 RTOs may not be the best solution for all areas of the
3419 country, so this should remain a local decision. Regarding
3420 the establishment of the federal right to clean energy, the
3421 language would likely create a scenario where large corporate
3422 energy purchasers would be able to use their buying power to
3423 directly procure one particular source of generation of
3424 preferential rates while shifting other system costs like
3425 maintaining 24/7 reliability to other customers. This could
3426 become the sort of haphazard deregulation of the retail
3427 electricity business.

3428 Traditional retail regulatory rules exist at the state

3429 level to hold other consumers harmless when certain buyers
3430 wish to procure their energy directly, but this language
3431 could preempt such protections. With that, I will close my
3432 statement and look forward to taking any questions that you
3433 might have. Thank you.

3434 [The prepared statement of Mr. Clark follows:]

3435

3436 *****COMMITTEE INSERT*****

3437

3438

3439 *Mr. Rush. Thank you, Mr. Clark, and want to -- and
3440 need -- thank all the witnesses on this second panel. Now we
3441 are moving into the member questioning of the second panel
3442 witness. Each member will have five minutes to ask questions
3443 of panel two's witnesses. And I will start by recognizing
3444 myself for five minutes.

3445 Mr. Anderson, I want to express my appreciation for your
3446 membership's tireless work to keep the lights on across our
3447 nation since the early part of the 20th century and for your
3448 being here today. My question to you is how will the build
3449 our -- buildout of transmission infrastructure benefit the
3450 hard-working members of your organization and the nation as a
3451 whole? And how can Congress support your membership in their
3452 work to expand transmission?

3453 *Mr. Anderson. Thank you very much for that question,
3454 Mr. Chairman. The short answer is that all of those things,
3455 transmission buildout, operation, and maintenance and the
3456 power generation assets that they support are -- those are
3457 the things that actually create the tens of thousands or
3458 hundreds of thousands, really, of jobs in our industry. This
3459 is what our members do all day every day. They work on all
3460 of these energy systems, generating the power, transporting
3461 the power, building, operating, and maintaining all of the
3462 systems. That is the source of work for our membership.

3463 And as to how it benefits the country, I think it has

3464 been said several times here today that there is nothing more
3465 of a fundamental underpinning to the entire economy than
3466 electricity. There is nothing in modern society that can be
3467 done, frankly, without electricity. So in that respect, it
3468 is not just beneficial. It is absolutely necessary. What
3469 Congress can do to support this, to support our members, is
3470 two things.

3471 One, by when we are analyzing how the buildout is going
3472 to happen, think about who is going to be doing the buildout,
3473 by which I mean where you really find the union workforce in
3474 this space is with the regulated utilities. There is a union
3475 density in that sector of about 22 percent, which if they
3476 were a state, which would make them about the second most
3477 union-dense state in the United States, on par with New York.
3478 Hawaii would be a little bit higher.

3479 The point being that to the extent that the regulated
3480 utilities are building, operating, and maintaining these
3481 systems, you have a built-in guarantee of getting those kind
3482 of high-road family and community supporting jobs that we all
3483 are looking for. The second thing is that Congress can do
3484 all that it can to support these labor -- what I referred you
3485 earlier as labor-management partnerships or what I might call
3486 union apprenticeships. We have an apprenticeship program of
3487 our own that we developed with our utility employers that
3488 trains people to work on any number of systems, not just in

3489 electricity but also gas and water. And those are not the
3490 sort of programs where you have to pay tuition, or you finish
3491 it and then you hope you have a job. You have a job from the
3492 very first day that you start.

3493 And you don't pay tuition for that. You have a job.
3494 You are trained, and by the time you go through that program,
3495 you are literally one of the top technical experts in your
3496 field. So those two things, making sure that the utilities
3497 are integral to the buildout as much as possible and making
3498 union apprenticeship programs core to building the workforce.

3499 *Mr. Rush. Thank you.

3500 Mr. Gramlich, in your testimony, you expressed that
3501 building large-scale transmission networks to meet growing
3502 electricity demand and clean energy roles will bring well
3503 paying domestic jobs and benefit U.S. global competitiveness.

3504 Will you please elaborate on this point?

3505 *Mr. Gramlich. Sure. Thank you for the question,
3506 Chairman Rush. There are, as you just heard from Lee
3507 Anderson, great domestic jobs potentials, potential with
3508 large-scale transmission. The jobs are high-quality jobs.
3509 They are nearly all union jobs. And the domestic content of
3510 transmission is also very high, starts -- starts pretty --
3511 pretty high. So the manufacturing jobs upstream are good in
3512 domestic. So I think transmission is a great way to not only
3513 get direct employment in transmission, but also, it gives you

3514 access to the -- the generation jobs.

3515 *Mr. Rush. Thank you so much. I only have four
3516 seconds.

3517 Ms. Tierney, what are the lesser-known benefits for
3518 buildout of the electric transmission grid to our nation's
3519 communities?

3520 *Dr. Tierney. Several things. A more resilient system,
3521 a system in which people in different regions can rely on
3522 each other and save money on their electric bills, a reliable
3523 system and one that really can deploy domestic energy
3524 resources. Thank you, Mr. Chairman.

3525 *Mr. Rush. Thank you so much. And that concludes my
3526 testimony. I now recognize the ranking member of the
3527 subcommittee, Mr. Upton, for five minutes for questioning the
3528 witness.

3529 *Mr. Upton. Well, thank you, Mr. Chairman, and thank
3530 you, witnesses. This is a particularly timely hearing. That
3531 is for sure. I am hoping that we are able to get a
3532 bipartisan infrastructure bill to the President before the
3533 August break begins. And one of the important elements that
3534 has been not only in the House side but also in the Senate is
3535 a nice sum of funds for transmission, not only to protect
3536 against weather-related, as we saw in Texas this last March
3537 but also to protect against cyber attacks as we saw with the
3538 Colonial Pipeline. And knowing that we may need to triple

3539 the size of transmission as the system by 2050, we better
3540 start on the right path. So Mr. Gramlich, I really
3541 appreciated your words and not only your past but today in
3542 terms of needs to be bipartisan. We have no -- there are not
3543 a lot of more important issues than making sure that we
3544 deliver energy at the best price to the consumers across the
3545 country, whether it be for their home or for their workplace.

3546 Mr. Clark, you had quite the kudos from our colleague
3547 from North Dakota earlier. I don't know if you were here for
3548 those words. But Mr. Armstrong is going to be back. But
3549 given your experience at the state and federal level, what
3550 are some of the biggest challenges that you see to developing
3551 more transmission?

3552 And particularly, I want to go back to the EPACT 05
3553 where we tried to give FERC the federal backstop siting
3554 authority. But that didn't work so well. And I'd like just
3555 to -- if you could just walk us through that, what your
3556 experience was.

3557 *Mr. Clark. Sure. Ranking Member, you are correct.
3558 There are numerous hurdles to getting transmission sited. It
3559 is not easy to do. EPACT 05, I was, as I noted in my
3560 testimony, a little bit of an outlier probably among some of
3561 the state regulatory community in that I thought it made
3562 sense to have some sort of backstop siting authority when
3563 there was true reliability needs that might be put at harm,

3564 and you just can't get a transmission line built. And so it
3565 was a fairly narrow compromise that I think came out of that.

3566 Subsequent court decisions, in many ways, have really
3567 neutered that -- that backstop siting authority.

3568 And so there are -- there is sort of a reattempt, it
3569 looks like, in this legislation to enact federal siting
3570 authority. I would say this is much, much broader as
3571 proposed in -- in this legislation. It broadens it out to
3572 include projects that might just be good for hooking up
3573 renewables. And it does so in a way that preempts states
3574 probably more aggressively than that original legislation
3575 did.

3576 I would say that one of the most helpful things that
3577 this committee and Congress can do would be to reform
3578 government, federal government permitting processes
3579 themselves, which is something you don't need to do without
3580 getting into backstop siting authority. Ask any state
3581 regulator in the western half of the U.S. for sure that has
3582 to do with federal lands issues. And they will tell you one
3583 of the biggest hurdles is simply trying to get permitted
3584 through federal land type issues. So I think there is
3585 significant things Congress can do itself reforming the
3586 federal government's process with regard to permitting that
3587 would be incrementally helpful.

3588 *Mr. Upton. Mr. Gramlich, what is your reaction to

3589 that?

3590 *Mr. Gramlich. Well, I largely agree with Mr. Clark on
3591 that. The legislation before you fixes one of those court
3592 decisions. And that is the primary purpose. But I might
3593 also suggest that the committee consider. If you are going
3594 to go in and touch something that, you know, addresses
3595 difficult eminent domain issues, you might want to look at
3596 the whole construct of that EPACT 05 corridor designation at
3597 one agency and permit at another agency where you have NEPA,
3598 a few years of NEPA at one place and a few more years of NEPA
3599 at another place and just say maybe let's keep it surgical
3600 and targeted. Maybe just say something over a thousand
3601 megawatts that crosses multiple states is FERC jurisdictional
3602 to permit.

3603 Mr. Upton, you mentioned parity with gas pipelines. I
3604 mean, that gets closer to gas pipelines. We would love to
3605 have parity with gas pipeline permitting on the electric
3606 side.

3607 *Mr. Upton. Well, I just know that as we look at more
3608 renewables, a number of us had dinner last night with former
3609 Secretary of Energy. And he talked about, as we see
3610 renewables expand, I think most of us here support that. You
3611 are still going to need something for when the wind doesn't
3612 blow, and the sun doesn't shine. And in large part now with
3613 the decline in coal, it has got to be gas. We have got a new

3614 gas plant that is being built in my district, over a billion-
3615 dollar new facility that should be online in the next number
3616 of months. We had real issues on siting, just with Amtrak
3617 and making sure that right of ways and everything else would
3618 -- delayed it for some time. So I think we need to figure
3619 that out as we look to the future.

3620 With that, Mr. Chairman, we'll yield back. And again,
3621 thanks for doing this hearing.

3622 Thank you, witnesses.

3623 *Mr. Rush. The gentleman yields back. The chair now
3624 recognizes the gentleman from California, Mr. McNerney. You
3625 are recognized for five minutes.

3626 *Mr. McNerney. Well, I thank the chairman. And I thank
3627 the witnesses. Mr. Clark, thank you for your years of
3628 service.

3629 Mr. Gramlich, during times of peak demand, California
3630 imports power from neighboring states that have large amounts
3631 of solar and wind energy. However, many of the merchant
3632 transmission lines that have been planned for the purpose of
3633 delivering renewable to California have been stalled while in
3634 development. And that's kind of a problem that we are
3635 talking about here today. Can you describe what measures can
3636 we take to encourage more merchant transmission projects that
3637 won't be stalled out?

3638 *Mr. Gramlich. Yeah. Thank you for the question,

3639 Congressman McNerney, and for your leadership on renewables
3640 and transmission over the years. I think the main problem
3641 with these large interstate lines, whether they are merchant
3642 or utility lines, is we don't have a way to recover costs of
3643 the interstate highway type lines in our system. All of you
3644 in your own districts have utilities that are able to recover
3645 in rates that are investments for their local transmission
3646 and distribution systems.

3647 And that is how the electric industry grew up. But we
3648 don't have a way to recover costs of the large interstate
3649 highway type of lines. And those are the lines we need for
3650 resilience and for clean energy. So you have these merchant
3651 developers who are out there trying to provide this service.
3652 But there is no customers, really.

3653 So I think my suggestion would be to look at, first of
3654 all, the tax credit, which is in the Ways and Means
3655 Committee, for large regionally significant lines and,
3656 secondly, I would urge you to consider a bill that was in
3657 Senator Manchin's discussion draft called a Transmission
3658 Facilitation Program where the government could essentially
3659 finance part of the line. And then over time, as
3660 transmission customers come on, they pay their taxpayers
3661 back.

3662 *Mr. McNerney. Thank you. Good suggestions.

3663 Dr. Tierney, as a Californian, I am very concerned about

3664 wildfires and the effects of extreme weather on the grid. In
3665 particular, overgrown vegetation near transmission line can
3666 cause fires to proliferate. Can non-wires alternatives like
3667 those identified in Section 214 of the CLEAN Futures Act
3668 reduce the need to deploy transmission lines in the areas
3669 that are prone to fires?

3670 *Dr. Tierney. Thank you, Congressman. This is a great
3671 question. I do think that there are many circumstances under
3672 which non-wires alternatives could provide a solution, at
3673 least to avoid or delay a new transmission line. Looking at
3674 the wildfire region that is in your neighborhood, things like
3675 microgrids could be a way in which one could provide an
3676 alternative to reinforcing a transmission line, provide local
3677 support for community needs and so forth. And those
3678 microgrids could provide power in the event that lines had to
3679 be taken out of service for wildfires. So that is just an
3680 example. There are lots of other examples as well.

3681 *Mr. McNerney. Thank you.

3682 Mr. Gramlich, again, one of the main challenges we face
3683 in bringing renewable energy from generation to load centers
3684 is clearly constructing those large backbone transmission
3685 centers. You discuss the importance of having proactive
3686 transmission planning that would reduce the cost and expedite
3687 the interconnection. How would you explain the transmission
3688 planning process that fails to connect new generation, and

3689 what policies should we be looking at to be more proactive?

3690 *Mr. Gramlich. Sure. Thank you for the question. We
3691 need to simply plan transmission. We are really not doing it
3692 in most regions right now. Transmission, quote/unquote,
3693 planners, are essentially waiting for each generator to come
3694 into the queue and responding to generator by generator when,
3695 in fact, they know based on the utility goals, consumer --
3696 stated consumer preferences, state laws, that there is going
3697 to be X amount of generation of this type and at these
3698 locations. So all we need to do is proactively plan the
3699 transmission system to those areas.

3700 I know FERC is trying to do that. But the planning and
3701 interregional planning provisions in the CLEAN Future Act and
3702 Congressman Casten's interregional planning bill would help a
3703 great deal with that and urge FERC to undertake a rulemaking
3704 to fix that and do the proactive planning that we need.

3705 *Mr. McNerney. I yield back.

3706 *Mr. Rush. The gentleman yields back? Does the
3707 gentleman -- the gentleman's time is concluded. The chair
3708 now recognizes the ranking member of the full committee, Ms.
3709 McMorris Rodgers, for five minutes.

3710 *Mrs. Rodgers. Thank you, Mr. Chairman. Appreciate the
3711 witnesses being here today. In the Pacific Northwest, we
3712 have abundant clean, reliable, affordable hydroelectric
3713 power. We enjoy some of the lowest electricity rates in the

3714 country. We even export our energy to California when it
3715 needs its power, and it seems like that is increasingly the
3716 case. I get concerned about policies that would drive up
3717 rates on our manufacturers and on our families. And I don't
3718 know what the southeastern United States would do if policies
3719 were imposed on that region, which has high energy poverty
3720 rates.

3721 So Mr. Clark, I wanted to ask if you would talk about
3722 the need to respect regional differences when it comes to
3723 electricity generation. How does this help ratepayers? And
3724 please explain to us why provisions in this legislation may
3725 harm people because of the regional differences.

3726 *Mr. Clark. Sure. Ranking Member, thank you for the
3727 question. I think when we talk about regional differences,
3728 the Pacific Northwest might be one of the best examples that
3729 we have in the country. As you indicate, the Pacific
3730 Northwest is unlike just about any other region that I can
3731 think of really anchored around that federal hydrosystem that
3732 exists up there and especially around the Bonneville
3733 transmission lines that hook up so much of the Pacific
3734 Northwest. There are a lot of regional efforts that are
3735 going on in the Northwest, for example, where there are
3736 discussions amongst the states in the region about how to
3737 account for and make sure that resource adequacy is
3738 maintained. Resource adequacy is the idea that not only do

3739 you need to plan the transmission grid, but you need to
3740 ensure that there are available resources 24/7 under a
3741 variety of weather conditions and system operating
3742 conditions.

3743 So the Pacific Northwest has been neck-deep in -- as a
3744 region in looking at those sort of efforts in a way that
3745 makes sense for that particular region. My concern would be
3746 if the federal government were to just come in and say
3747 "mandate," you have to have one particular type of market
3748 model like an RTO or an ISO which is traditionally not worked
3749 in the Pacific Northwest due to a lot of it's -- the specific
3750 things about that region, that it could cause some of the
3751 really good efforts that are going on within the region to
3752 fall apart.

3753 *Mrs. Rodgers. Right now, Bonneville Power
3754 Administration is considering joining the Western Energy and
3755 Balance Market. And part of that is the benefit that then we
3756 would have the ability to sell our excess power to
3757 California. I wanted to just ask your thoughts on that and
3758 if you would think it would be different if we were forced to
3759 join the California ISO.

3760 *Mr. Clark. Sure. Ranking Member, the EIM is a little
3761 bit different concept than the full RTO. EIMs have been
3762 becoming more and more popular across especially parts of the
3763 West. Basically, they allow utility system -- systems to run

3764 their generators to meet their own system needs but to the
3765 degree they have excess energy, which is often the case with
3766 renewables, during certain hours of the day or maybe short a
3767 little bit during other hours of the day, they can trade
3768 energy across a platform that enhances the market.

3769 Some of my colleagues and I have been referring to that
3770 as an emergent market as opposed to a more prescribed one.
3771 An RTO, as I indicated, has, for a lot of reasons, had a very
3772 difficult time taking root in the Northwest. Some of the
3773 concerns from local officials is a lot of that -- that
3774 locally generated, very affordable hydropower might then be
3775 exported to other parts of the country, and their rates might
3776 go up if that happens. So imposing an RTO from a top down, I
3777 think, becomes particularly problematic, especially in
3778 certain regions.

3779 *Mrs. Rodgers. Well, I really appreciate you being with
3780 us today. I am going to yield back.

3781 *Mr. Rush. The member yields back. The chair now
3782 recognizes the chairman of the Environmental Subcommittee,
3783 Mr. Tonko, for five minutes.

3784 *Mr. Tonko. Thank you, Mr. Chair.

3785 Dr. Tierney, regarding proposals to address backstop
3786 authority, would you please expand on your views as to why
3787 FERC may be better suited than DOE to designate corridors for
3788 high-priority lines?

3789 *Dr. Tierney. Representative Tonko, thank you for that
3790 question. I really appreciate it. And I know I can answer
3791 this from the perspective of the two National Academy studies
3792 that I was part of because in both studies, the committees
3793 recommended that FERC would have backstop siting authority as
3794 well as the authority to designate needed corridors.

3795 Now, the reason for that is FERC is a regulatory agency.
3796 It makes its decisions based on evidentiary records. It has
3797 a long-standing culture, a set of authorities, requirements
3798 and provisions that are used to making very tough calls on
3799 robust records. And in our view, the committee members'
3800 view, the -- putting -- enabling somebody like the Department
3801 of Energy to provide evidence about transmission plans, a
3802 variety of national needs and so forth, having FERC actually
3803 make decisions about the corridors and then step in to
3804 certify projects would address many of the siting hurdles
3805 that we know today. Let me leave it at that, but I am happy
3806 to follow up with more if it is helpful.

3807 *Mr. Tonko. It certainly would. So we welcome any
3808 additional info you wanted to exchange with the subcommittee.

3809 Mr. Gramlich, what is your perspective on DOE or FERC
3810 leading to designation of corridors for high-priority lines?

3811 *Mr. Gramlich. Well, I certainly agree. Thank you for
3812 the question. I agree with Dr. Tierney about FERC's
3813 capabilities in that area. And I mentioned before the

3814 awkward two-step double-agency, double-NEPA approach that we
3815 currently have which is suboptimal from any perspective.

3816 FERC is equipped to do that. But, you know, I would
3817 also just think about whether you even want to have the whole
3818 corridor designation process at all if you are going to go in
3819 and try to improve this provision, maybe just establish a
3820 bright line and say what is -- what is for FERC and what is
3821 not.

3822 *Mr. Tonko. Thank you. And interregional projects
3823 could play an important role in achieving a low-cost clean
3824 energy transition. But today, RTOs do not have good
3825 processes in place to evaluate these types of projects. So
3826 Mr. Gramlich, given today's processes for consideration of
3827 interregional projects, do RTOs' planning tilt too far toward
3828 considering and selecting regional over interregional
3829 projects?

3830 *Mr. Gramlich. Well, there is an unfortunate and
3831 probably unintended consequence of recent FERC orders or FERC
3832 orders going back the last decade. Encouraging -- they sort
3833 of make it easy for the local investments. And that is
3834 probably okay given a lot of the assets are 70 years old and
3835 do need to be replaced.

3836 But we are really not building any of the large regional
3837 or interregional transmission. It is just not coming out of
3838 the plans. So we need to plan for the future, as I said

3839 before, which seems -- seems simple. But I think Congress
3840 should encourage FERC to undertake a rulemaking to make sure
3841 that happens.

3842 *Mr. Tonko. And could a FERC rulemaking provide the
3843 direction necessary to get RTOs to use similar methodologies?

3844 *Mr. Gramlich. Yes. I think it could. FERC's
3845 authority is quite strong in --

3846 *Mr. Tonko. And should --

3847 *Mr. Gramlich. -- transmission planning.

3848 *Mr. Tonko. And I would ask also should they analyze
3849 these projects, evaluate them to see what their merit is?

3850 *Mr. Gramlich. Yes. They should look at these regional
3851 and interregional opportunities, include the resilience value
3852 because remember a lot of these lines, Mr. Clark and I both
3853 commend the MISO Multi-Value Projects in the Midwest. Those
3854 lines were justified based on west-east flow for renewables
3855 out of the region, but they kept the lights on during Winter
3856 Storm Yuri in February by flowing the power the other
3857 direction. And that is what transmission does. It gives you
3858 options, and it provides resilience once you get it built.

3859 *Mr. Tonko. And Dr. Tierney, what else could FERC
3860 clarify to promote improved interregional planning?

3861 *Dr. Tierney. Well, one of the reasons that I like the
3862 CLEAN Future Act as well as the POWER ON Act, actually, all
3863 four of the acts is that they do talk about resilience,

3864 environmental improvements, diversity of supply, in addition
3865 to just the dollars and cents associated with transmission
3866 investments and the reliability benefits. And having the
3867 direction from Congress that it is in the national interest
3868 to be looking at transmission to support this array of goals
3869 would help FERC make decisions with regard to planning, cost
3870 allocation, and other things.

3871 *Mr. Tonko. Thank you very much.

3872 Mr. Chair, I yield back.

3873 *Mr. Rush. The gentleman yields back. The chair now
3874 recognizes the gentleman from Ohio, Mr. Latta, for five
3875 minutes.

3876 *Mr. Latta. Well, thanks, Mr. Chairman, and again,
3877 thanks to our witnesses for being with us this afternoon.
3878 Really appreciate it.

3879 Commissioner Clark, if I could start my questions with
3880 you, you know, considering the cyber threats that are
3881 directed at our grid on a daily basis, what is your opinion
3882 on prioritizing the efforts to harden the grid against other
3883 cyber attacks over the long-term? And how long is it going
3884 to take us to make sure that we get the grid hardened?

3885 *Mr. Clark. Mr. Chairman and Congressman, cyber
3886 concerns are one of my top concerns. They were during the
3887 four-and-a-half years that I was on the commission. And I
3888 think most FERC commissioners and state commissioners that

3889 you talk to will probably tell you the same thing. And I
3890 don't know that we are ever going to feel like we are in a
3891 spot where cybersecurity is taken care of, and we don't need
3892 to worry about it anymore. I just think it is going to be
3893 part of an evolving process that we have to be -- that we
3894 have to stay on top of.

3895 I think the commission has done a lot to make the grid
3896 better, to make it more cybersecure. But as we have seen
3897 from recent attacks, there is still a lot of work to go.
3898 From a FERC standpoint, which is the area that I am most
3899 familiar with, really what it is about is creating an
3900 ecosystem that makes it as difficult as possible so that,
3901 from an operation standpoint, operators are doing the
3902 baseline of things, sort of the floor, in terms of trying to
3903 protect their networks.

3904 But there is a lot that has to happen on top of that.
3905 And it is a lot of work for the operators themselves because
3906 ultimately, it is not government who runs those networks. It
3907 is those individual operators. They have to have the ones
3908 that have the access to the information, the ability to block
3909 cyberattacks.

3910 *Mr. Latta. Let me just kind of go into that because,
3911 again, I know back -- back in Ohio and going through
3912 different of our -- different companies and also with our co-
3913 ops, I tell you when you look at what they are doing out

3914 there today, I mean, cyber is at the top of the list. So
3915 when you are thinking about what the federal government needs
3916 to be doing too, I know you just said that you have to look
3917 at the -- what the companies are doing or the providers are
3918 doing.

3919 You know, it is that interaction between the federal
3920 government and those companies out there that have to be
3921 doing this. Is there enough information being provided on -
3922 you know, on an instant basis to make sure between the
3923 providers themselves and then also with the federal
3924 government to make sure that they can, you know, withstand
3925 the attacks after the cyber attacks happen to one?

3926 *Mr. Clark. It can always be improved. And one of the
3927 more promising type of efforts that I saw during my time at
3928 FERC was things like the fusion centers, local fusion centers
3929 where government was tracking and seeing what was happening
3930 on some of the networks in a broader context, but then they
3931 could provide a feedback loop to get that information quickly
3932 to the local utilities themselves so they can implement the
3933 sort of processes and patches that they need to, to protect
3934 the network. So that really is a big part of the key, is
3935 that feedback loop between what federal officials see as well
3936 as what the operators themselves are seeing so that -- that
3937 they can protect those networks.

3938 *Mr. Latta. You know, also -- you know, in reading your

3939 testimony, maybe you could just delve in a couple of these
3940 things. I think it is interesting, and you brought up in
3941 your opening statement about the respecting regional
3942 differences and the bottom-up, not top-down. Would you want
3943 to get into, especially with our regional differences, when
3944 you talk about that, you know, one size doesn't fit all. And
3945 do we have a situation out there were the federal government
3946 is creating situations where we do have a situation where
3947 they want to have a, you know, one size fits-all for
3948 everybody to try to fit into that box?

3949 *Mr. Clark. Congressman Latta, I would say the -- if
3950 you look at the most successful programs that have gotten,
3951 say, transmission built -- for example, Mr. Gramlich talked
3952 about the MISO MVP suite of lines. The reason that happened
3953 was because it was built from the bottom up, and you had
3954 local, state, and utility buy-in into a plan that seemed to
3955 work for the entire region.

3956 I think what I would seek to avoid or would urge you to
3957 avoid in congressional legislation is you don't want the
3958 federal government to be picking out the lines where it
3959 thinks they should go and then maybe connecting into regions
3960 and really undercutting some of the investments that may
3961 happen in local regions.

3962 For example, I mentioned the Pacific Northwest has a
3963 very unique profile in their grid. There are certain parts

3964 of the country that rely very heavily on nuclear plants. If
3965 you build a lot of lines with zero fuel cost resources and
3966 flood the market with zero fuel cost resources, uplift the
3967 cost of transmission in a region that has very large nuclear
3968 plants, that is very likely going to cause economic distress
3969 for those nuclear plants, and we can't afford to lose those
3970 resources in terms of trying to reduce carbon emissions. So
3971 it is a complicated network, and that is why it is so
3972 important that whatever is done nationally has to be
3973 leveraged and based on the decisions that are being made at
3974 the state and local level.

3975 *Mr. Latta. Well, thank you very much, Mr. Chairman.
3976 My time has expired, and I yield back.

3977 *Mr. Rush. The gentleman yields back. The chair
3978 recognizes -- now recognizes Ms. Schrier for five minutes.
3979 The chair now recognizes Ms. Matsui for five minutes.

3980 *Ms. Matsui. Thank you, Mr. Chairman. I want to thank
3981 the witnesses for appearing before us today. 2020 was a
3982 record-setting year, wildfires in California. Wildfires
3983 burned through nearly 4.5 million acres, making this the
3984 largest wildfire season in California's modern history.
3985 These fires ravaged through more than 4 percent of the
3986 state's land, and the threat of wildfires combined with
3987 historic heat waves cause rolling blackouts.

3988 For this reason, I introduced the Preventing Outages

3989 with Enhanced Resilience and Operations Nationwide Act of
3990 2021, or as it is called, POWER ON Act of 2021, which is not
3991 to be confused with Mr. Peters' great legislation with the
3992 same acronym. This POWER ON Act that I had is a bipartisan
3993 and bicameral bill to establish a new electric grid
3994 resilience grant program at DOE focused on grid-hardening for
3995 extreme weather events.

3996 Mr. Gramlich, can the deployment of grid-enhancing
3997 technologies, such as dynamic line ratings and advanced
3998 conductors, reduce the risk of wildfires posed by certain
3999 transmission lines?

4000 *Mr. Gramlich. Thank you for the question,
4001 Congresswoman. Yes. Grid-enhancing technologies, I am so
4002 glad you asked about that. We have not covered it much here.
4003 But we -- while we endeavor to expand transmission capacity,
4004 we really need to make sure that consumers and people care --
4005 who care about the land that could be impacted are assured
4006 that we use grid-enhancing technologies to deliver as much as
4007 we can over the existing network first.

4008 And then in addition to that, as you just indicated in
4009 your question, they can often help a great deal with
4010 reliability and resilience situations. In emergency
4011 conditions, often we re-rate transmission lines. That is one
4012 example of the type of thing we can do. We can actually push
4013 and pull power over different routes now with modern

4014 technology. So grid-enhancing technologies are a great
4015 opportunity to do that.

4016 *Ms. Matsui. Well, how about the use of advanced
4017 conductors usually selected for high-capacity and efficiency?
4018 Can they provide wildfire mitigation and resilience?

4019 *Mr. Gramlich. Yes. Advanced conductors can reduce the
4020 sag, for example. They are -- they can be much more
4021 resilient than the standard transmission line. And sag is a
4022 problem because the lines can dip into vegetation and spark a
4023 wild -- spark a fire. And so if you can reduce the sag with
4024 advanced transmission conductors, then you can reduce that
4025 risk.

4026 *Ms. Matsui. Okay. Climate change poses a variety of
4027 threats to our communities. According to report from the
4028 U.S. Global Change Research Program, climate change will
4029 cause a wide range of negative impacts on public health,
4030 including increase premature deaths and respiratory illnesses
4031 due to decreasing air quality. And increase heat related
4032 death due to rising temperatures, among other disruptions.

4033 For this reason, I introduced the TREES Act, my bill to
4034 reduce energy bills through residential tree planting while
4035 combating heat islands and co-lead the Climate Change Health
4036 Protection and Promotion Act with Representative Matt
4037 Cartwright.

4038 Dr. Tierney, in your testimony, you mentioned that

4039 transmission infrastructure enhancements and increased access
4040 to broader interstate electrical regions can help resiliency,
4041 reliability, and public health outcomes. Can you expand on
4042 the social benefits that transmission system investments will
4043 have and how Congress can help maximize these outcomes?

4044 *Dr. Tierney. Congresswoman, I love that question, and
4045 I love your bill. I am very aware of this heat island
4046 problem, and tree planting is very, very important. But more
4047 broadly, transmission can help on local public -- public
4048 health issues where there are today highly polluting fossil
4049 generation where there are front-line communities that are
4050 living very close to those very aged facilities. In some
4051 cases, they cannot be retired unless there is either a
4052 replacement there potentially for local reliability issues or
4053 transmission is built to widen the availability of access for
4054 that community to power, say, from renewables that are
4055 distant. So transmission can help enable avoidance of local
4056 pollution in very important ways. And I think that this is a
4057 really important issue that I hope people will consider.

4058 *Ms. Matsui. Oh. Thank you very much.

4059 And thank you, Mr. Chairman, and I yield back.

4060 *Mr. Rush. The gentlelady yields back. The chair now
4061 recognizes the gentleman, my friend from West Virginia, Mr.
4062 McKinley, for five minutes.

4063 *Mr. McKinley. Mr. Chairman, that is West by God

4064 Virginia. Let me just continue on with this. I have really
4065 enjoyed this kind of political, tainted conversation we have
4066 had about transmission lines and -- but I don't want to go
4067 down that rabbit hole. I think there is an alternative that
4068 we don't have to face all the problems because they are
4069 telling me we may have hundreds of thousands of miles of
4070 transmission lines we have to put in as we make this
4071 transition.

4072 So I'd like to talk a little bit about how we might be
4073 able to use carbon capture as a way to keep our coal-fired
4074 fossil fuel fleet still available. And I want to use the
4075 illustration of land use when we make this conversion, this
4076 transition over to wind or solar.

4077 So this would take one power plant in West Virginia.
4078 It's a -- the Amos Power Plant is about 3,000 megawatts, a
4079 pretty good-sized facility but not the biggest in the country
4080 by any stretch. The 3,000 megawatt -- our consultants that
4081 we have been talking to for the last month and a half have
4082 indicated that we were going to have to -- if we have two-
4083 megawatt wind turbines apiece, we will have to have a total
4084 of 4,250 wind turbines to be able to service that 3,000-
4085 megawatt power plant, now, because we have to also charge the
4086 batteries for the backup.

4087 So I understand. I am not going to argue over that
4088 4,250. Now if you use that, now the math comes in. If the -

4089 - if what we are hearing from the National Renewable Energy
4090 Laboratory in their report has surveyed, they went back
4091 through, and they looked at 172 large-scale power wind farms.
4092 And they came to conclusion that you need to have about two-
4093 tenths of a square mile per windmill.

4094 So now do the math back again to what I just said, 4,250
4095 at two-tenths. That means I am going to have to have eight -
4096 - I am going to have 850 square miles, 850 square miles of
4097 land committed to putting windmills on. Eight hundred and
4098 fifty square miles.

4099 Now, what does that look like? That is one-and-a-half
4100 times larger than the entire city of Houston. It is for
4101 Chairman Pallone's district up in -- up in the 6th District
4102 of New Jersey. It is four times larger than his entire
4103 congressional district just to put in windmills, wind
4104 turbines, for one power plant in West Virginia. So I am
4105 astounded with that, and I am wondering is this the best use
4106 because I think we heard earlier today to get 850 square
4107 miles, I am going to have to have eminent domain. I am
4108 going to have to have a series of litigation that I am going
4109 to have to go through. So for us to get to 2030 or 2035 with
4110 renewables, I don't know how in the world we are going to get
4111 to that.

4112 If one power plant requires 850 square miles just to put
4113 in a wind farm. So I am -- I ask, Mr. Clark, if I could just

4114 focus on you for a moment. Is that the best use of our land,
4115 or would it be better if we were to convert -- use carbon
4116 capture and keep our power plants still as -- we are going to
4117 eventually go to renewables. I understand that. But just we
4118 -- maybe we don't need to do it so quickly that we can come
4119 up with another system. Can you react to that?

4120 *Mr. Clark. Congressman McKinley, the way I would put
4121 it is utility companies and generating companies build
4122 different resources for different reasons. And every
4123 resource has its place. So the future will have some mix of
4124 a number of different resources. And as you indicate,
4125 renewables, I believe, will be a -- a big part of it. The
4126 question that you ask which I think is exactly right, which
4127 is we still have to focus on ensuring that there is
4128 dispatchable resources on the system available to accommodate
4129 the amount of renewables that are being -- will be coming on.

4130 In a carbon-constrained world, which is generally where
4131 the arc of the generation fleet is moving, it means we -- be
4132 serious about figuring out ways to have carbon-free
4133 dispatchable resources. That includes things potentially
4134 like carbon capture and sequestration with existing plants,
4135 nuclear generation, so on and so forth.

4136 *Mr. McKinley. Mr. Clark, if I could, do you think they
4137 are wrong, the National Renewable Energy Laboratory, two-
4138 tenths of a square mile. You have heard --

4139 *Mr. Clark. Congressman --

4140 *Mr. McKinley. -- the wind turbine?

4141 *Mr. Clark. -- I don't know that I have seen that
4142 particular one, but the issue of energy density and the fact
4143 that it takes a lot more land use with renewables as compared
4144 to, say, a smaller footprint --

4145 *Mr. McKinley. I am just running short of time,
4146 obviously. I just want -- it is a reality check to realize
4147 what we are about to do here in pursuing because if we can
4148 keep our coal-fired -- fossil fuel-fired power plants, we are
4149 not going to need this transmission problem, as it go - it
4150 at least is mitigated. We are not going to need as much as
4151 we would have otherwise. We could go to a hundred percent by
4152 2030 or 2035. So with that, Mr. Chairman, I know I have
4153 yield -- gone over but thank you. Yield back.

4154 *Mr. Rush. The chair now recognizes Ms. Schrier for
4155 five minutes.

4156 *Ms. Schrier. Thank you very much, Mr. Chairman. And
4157 thank you to our witnesses. I am very interested in how we
4158 can identify ways to better use our power marketing
4159 administrations to support the deployment of transmission,
4160 which I believe we need regardless of what energy portfolio
4161 we need because we need redundancy and resiliency. Mr.
4162 Gramlich, in your testimony, you state regarding the
4163 facilitation of interregional transmission that another

4164 option is for greater use of the power marketing
4165 administrations which have expertise in transmission
4166 planning, valuable local relationships, and authorities to
4167 permit transmission and partner with private investors. It
4168 seems that if they could lead here, it could be a real win
4169 win, facilitating the deployment of more renewables and
4170 hydroelectric energy while also continuing to improve grid
4171 reliability and redundancy in the Pacific Northwest. And I
4172 was wondering if you could just expand a bit on your
4173 statement.

4174 *Mr. Gramlich. Sure. Thank you for the question. Yes.
4175 Power marketing administrations are -- play a key role in
4176 transmission. They can -- with their loan authority, they
4177 can go ahead and develop and build some transmission. They
4178 can expand the seams capacity between the Eastern and Western
4179 interconnections. That would be WAPA. And they also, as you
4180 mentioned, can use the authority in Section 1221 of EPACT
4181 2005, which allows the PMAs to partner with private investors
4182 and private capital to build transmission. And the PMAs in
4183 that case bring a lot of expertise, local relationships and
4184 permitting authority to get transmission built. And that can
4185 be utilized in the parts of the country where the PMAs
4186 exists, which is a little over half the country.

4187 *Ms. Schrier. And that is what we have in Washington
4188 state. So that is really interesting to hear about the

4189 partnership between the two. I know that in your testimony,
4190 you talked about kind of a transmission facilitation program
4191 in which the Department of Energy reserves up to half the
4192 capacity of a new transmission line and then sells that
4193 capacity to other users. Is that the kind of relationship
4194 with private industry that you are referring to?

4195 *Mr. Gramlich. That is another example. It is sort of
4196 a loan program. And it appeared in public, I think, in the
4197 first time about a week ago in Senator Manchin's discussion
4198 draft. And I commend that provision.

4199 *Ms. Schrier. And would that benefit a state like
4200 Washington where a federal power marketing administration is
4201 responsible for a significant part of the transmission
4202 system?

4203 *Mr. Gramlich. Yes. I think it would be -- apply in
4204 the northwest. You might check with Senator Cantwell's
4205 office. I think she is very interested in that type of
4206 provision.

4207 *Ms. Schrier. Fantastic. I will follow-up and I thank
4208 you for your comments and yield back the remainder of my
4209 time.

4210 *Mr. Rush. The gentlelady yields back the balance of
4211 her time. The chair now recognizes Mr. Johnson from Ohio for
4212 five minutes.

4213 *Mr. Johnson. Well, thank you, Mr. Chairman. We have

4214 covered a lot of ground today with several sections on
4215 transmission. But I am going to focus on a couple of them
4216 that are particularly concerning. First is Section 220,
4217 establishing something called a federal, quote, right to
4218 clean energy. Now, that is interesting. Mr. Chairman, I
4219 don't know about anyone else's district, but I can assure you
4220 that in eastern and southeastern Ohio where I live and
4221 represent, the people are not pounding down my door demanding
4222 their right to clean energy.

4223 What they really want for their families is affordable,
4224 reliable energy. That is my main concern, and it should be
4225 the main concern of this committee. Anything else is an
4226 intentional failure to grasp the reality of what the American
4227 people face every day. Ironically, even individuals or
4228 businesses who would actually like to pay higher prices for
4229 their so-called clean energy still need a backup for
4230 intermittent renewables for when the sun doesn't shine, and
4231 the wind doesn't blow.

4232 What is that backup? You guessed it. Cheap, reliable
4233 and affordable natural gas and coal paid for by everyone
4234 else. So Mr. Clark, in your experience as a state utility
4235 regulator, your first priority was delivering electricity on
4236 demand at the best price. Can you explain to us why this,
4237 quote, right to clean energy, why that section coupled with
4238 federal preemption of state or regional rules would not be

4239 the right approach if the goal is to provide the best, most
4240 affordable, most reliable electric service to the American
4241 people?

4242 *Mr. Clark. Congressman, sure. I suspect that the
4243 provision is being supported, especially by large corporate
4244 energy buyers who might like to directly procure energy
4245 outside of existing regulated relationship that they might
4246 have in the areas in which they do business. And by
4247 establishing a, quote/unquote, federal right to clean energy
4248 to purchase it from anywhere, it would allow them to do so,
4249 sometimes to meet, I suppose, their corporate sustainability
4250 goals, number one, but also to get preferential rates that
4251 they can get because they are very large energy buyers.

4252 The problem with that sort of system is it can leave
4253 other system costs to balance and maintain 24/7 reliability
4254 existing with the remaining customers on the system, and then
4255 they have to pick up the tab for that. State regulators that
4256 you mentioned typically have processes to ensure that when a
4257 large buyer wishes to get direct special access to a resource
4258 that they do it as part of some sort of proceeding in front
4259 of the state commission.

4260 The state commission can then balance interests and make
4261 sure that average customers are held harmless so that the
4262 sort of little guy, the residential customer, the small
4263 business customer, doesn't end up subsidizing those choices

4264 for the large customer who wishes to leave the system. I
4265 would be concerned that a federal establishment of a right
4266 could undermine those protections that exist at the state
4267 level to make sure that that cost shifting does not --

4268 *Mr. Johnson. Okay.

4269 *Mr. Clark. -- happen.

4270 *Mr. Johnson. All right. You also outline, Mr. Clark,
4271 some concerns with Section 211, citing regional differences
4272 in choosing what investments make sense for certain areas.
4273 And you make the case that we should pursue cleaner energy
4274 sources as free-market innovation facilitates it rather than
4275 a mandated one-size-fits-all approach. In past hearings, I
4276 have cautioned about not wanting to lock into certain
4277 technologies when, down the road, technological
4278 breakthroughs, perhaps with hydrogen or advanced nuclear,
4279 might render them obsolete.

4280 This pertains to wind, solar and their thousands of
4281 miles of new transmission lines in particular. When you
4282 consider the millions of tons of glass, concrete, steel, land
4283 and rare earth metals that we depend on communist China for,
4284 among other materials, it is staggering. We certainly should
4285 think twice about whether this is wise stewardship of
4286 taxpayer dollars, not to mention preserving the American
4287 landscape, which all of these wind and solar farms would
4288 blight. So Mr. Clark, this legislation, in unprecedented

4289 fashion, mandates preferential treatment for current
4290 renewable technologies. Once again, it is Congress trying to
4291 pick winners and losers. Can you talk about the unintended
4292 consequences of this approach, especially when forced on the
4293 entire country?

4294 *Mr. Clark. So Congressman, as I indicated before, I
4295 think every resource does have its place. And in my home
4296 state and region of the Midwest, for example, wind has been
4297 traditionally a fairly popular option. And there have been
4298 transmission lines. But -- built to accommodate that. That
4299 doesn't mean it is necessarily the right answer everywhere. I
4300 know there are large parts of the country, especially in the
4301 southeast, that have depended on nuclear power. And that may
4302 be -- sort of local nuclear generation may be a better way
4303 for them to meet carbon reduction goals than importing wind,
4304 say, from, you know, several thousand miles away.

4305 So that is why I say it really has to be built from the
4306 bottom up based on those plans that are made at the local
4307 level in order for these decisions to be -- have some
4308 sustainability.

4309 *Mr. Johnson. Okay. Well, thank you. Mr. Chairman, I
4310 yield back.

4311 *Mr. Rush. The chair now recognizes the gentlelady from
4312 Florida, Ms. Castor, for five minutes.

4313 *Ms. Castor. Thank you, Mr. Chairman. Thank you to our

4314 witnesses for being here today.

4315 Mr. Gramlich, you note in your testimony that there are
4316 hundreds of gigawatts of proposed power projects stuck in
4317 these interconnection cues. My bill, 4027, the Efficient
4318 Grid Interconnection Act, would direct FERC to use a
4319 beneficiary pays principle to cover the network upgrade cost.
4320 Talk to us about this and how you see it helping consumers
4321 save money eventually on their electric bills.

4322 *Mr. Gramlich. Sure. Thank you for the question, and
4323 thank you for the bill. I think it is a great bill, and what
4324 it does is it makes sure that it is not just the next car on
4325 the highway that has to pay for the whole lane expansion,
4326 that everybody else in the future is going to use. That is
4327 what is happening with our transmission system right now. We
4328 are essentially trying to plan a transmission system through
4329 the interconnection process. And it is a sequential process.
4330 So these generators kind of pile up in line in the queue.

4331 And the next one that sort of -- the next straw that
4332 breaks the camel's back triggers that upgrade that is needed,
4333 and then they have to pay for it when, in fact, once it is
4334 built, it is, by definition, a shared network. It is used by
4335 everybody. And so what your bill does is that it makes sure
4336 that all the users of the system will pay their share. It
4337 doesn't prescribe -- your bill doesn't prescribe exactly who
4338 pays how much. FERC would have to do that. But at least it

4339 takes this most egregious option off the table.

4340 *Ms. Castor. Dr. Tierney, what do you think about this
4341 bill and how we want to reduce congestion, break up this
4342 traffic jam?

4343 *Dr. Tierney. Well, I would agree with everything
4344 Congresswoman, that Rob Gramlich just said. One of the
4345 problems here is this chicken-and-egg problem and the fact
4346 that the first party in has to pay so much of the cost, and
4347 then it is a staggering impediment to actually going forward
4348 with investment.

4349 So spreading these costs around amongst a broad group of
4350 beneficiaries as your bill would do would really help make
4351 sure that a suite of projects can come forward economically
4352 and that's --

4353 *Ms. Castor. And you --

4354 *Dr. Tierney. -- good for consumers.

4355 *Ms. Castor. You see that as -- yeah. So is that a
4356 good -- is that good for businesses and families alike?

4357 *Dr. Tierney. Absolutely. I apologize for stepping on
4358 your toes there. Yes. That will help reduce bills for
4359 consumers very broadly.

4360 *Ms. Castor. Mr. Anderson, so if we can break up these
4361 interconnection roadblocks, boy, that could really create a
4362 lot of jobs. Will we have the workforce that we need among
4363 our utility workers to connect up these power projects to the

4364 grid?

4365 *Mr. Anderson. Thank you very much for that question.
4366 And just in case it is not immediately obvious, you have put
4367 your finger right on what our perspective there is. We don't
4368 have particularly strong opinions about the cautioning that's
4369 used such as the other witnesses do. We do have a strong
4370 opinion about -- is who is going to build these projects, who
4371 is going to operate them and maintain them over time. And
4372 naturally, we want those jobs to be as good as possible.

4373 Do we have the workforce now? We have the start on the
4374 workforce. But when we are talking about the scale of
4375 buildout that we are discussing at this hearing today, we
4376 will need a much larger workforce, which is -- goes back to
4377 my earlier response to the chair, which was that we have to
4378 build out our training programs much more robustly than they
4379 exist now because the scale of the job requires a much -- a
4380 scaled-up workforce.

4381 *Ms. Castor. And Mr. Clark, do you see -- I mean, these
4382 are projects all over the country. But from your experience,
4383 this would be a boon to middle America especially, but talk
4384 to me about where we could see these jobs.

4385 *Mr. Clark. Sure. With regard to jobs, of course,
4386 wherever the projects are built, that's where the jobs will
4387 follow. And we have certainly seen that with certain
4388 transmission projects and things like that in my home region.

4389 With regard to the interconnection queues, this is an issue
4390 that, when I think back, this was probably an issue in 2005
4391 and '6.

4392 When I was on a state commission, it was an issue while
4393 I was at FERC, and it has been an issue since then. So it is
4394 a log jam. I do have some concerns with regard to the
4395 suggestion that if we just spread the costs around large
4396 enough, that will break up the interconnection queue itself.
4397 The reason for that concern is it may just encourage more
4398 developers to then clog the queue, which in one hand is sort
4399 of -- I see more development happening out there. On the
4400 other hand, it attracts that much more interconnections into
4401 the queue. So it --

4402 *Ms. Castor. We are off --

4403 *Mr. Clark. I wish --

4404 *Ms. Castor. -- our competition aren't --

4405 *Mr. Clark. Yeah. I wish there was a silver bullet to
4406 the interconnection problem, but we haven't come up with one
4407 yet at the -- at the regulatory level. It is tough because
4408 you do have to do the engineering studies, of course, to make
4409 sure that everyone can interconnect equitably in a way that
4410 doesn't harm the reliability of the system.

4411 *Ms. Castor. Thank you very much. I yield back.

4412 *Mr. Rush. The gentlelady yields back. The chair now
4413 recognizes the gentleman from Indiana, Mr. Bucshon, for five

4414 minutes.

4415 *Mr. Bucshon. Thank you, Mr. Chairman. On the first
4416 panel, I mentioned a couple of ongoing challenges to
4417 infrastructure development, including probably new
4418 transmission lines, lawsuits related to eminent domain issues
4419 and environmental activists who sue over basically anything.

4420

4421 So Mr. Clark, what do you see as the biggest challenges
4422 when it comes to building out transmission infrastructure,
4423 particularly the stuff that is discussed in the bill about -
4424 in this bill where we would build out charging stations
4425 across the country. What is the biggest challenges that we
4426 face to actually completing a timeline that is described in
4427 this bill?

4428 *Mr. Clark. Congressman, I think that probably
4429 permitting challenges are the largest challenge that we have
4430 across the country. And I do have concerns that simply
4431 shifting the responsibility for siting lines to the federal
4432 government doesn't really solve that problem. In fact, in
4433 some ways, it may --

4434 *Mr. Bucshon. Probably will make it worse; right?

4435 *Mr. Clark. In some ways, it could. If you set up a
4436 system where there had to be programmatic EIS's and the
4437 federal government itself was planning transmission corridors
4438 and lines, you will invite a significant amount of opposition

4439 to those projects. And as my friend, Congressman Armstrong
4440 pointed out earlier, all of the folks who have been watching
4441 what has been happening in the pipeline permitting program
4442 and finding out new legal ways to block those lines have been
4443 sharpening their pencils. And those legal strategies will be
4444 used against electric transmission lines as well.

4445 *Mr. Bucshon. Yeah. For example, the Supreme Court
4446 ruled today against the state of New Jersey blocking a
4447 pipeline based on eminent domain across state property, but
4448 that doesn't -- it is a pipeline going up the East Coast, our
4449 chairman's home state.

4450 But that doesn't fix the problem there. So there is
4451 going to be ongoing lawsuits in addition to -- no matter what
4452 we -- what we do. I would agree that, in my experience,
4453 taking jurisdiction away from states and giving it to the
4454 federal government makes things dramatically worse. I think
4455 that's been proven over and over. So basically, do you feel
4456 like the goals of 2035 and 2050 realistically be met when the
4457 legislation doesn't address what you said, the permitting
4458 process? I mean, how -- I mean, that's the -- all of us on
4459 this committee want to address carbon emissions.

4460 I think most of us support -- I -- at least I'll speak
4461 for myself. I support an all-of-the-above energy approach.
4462 But that said, how can we have a timeline this tight 14 years
4463 from now if we don't address the permitting process? I mean

4464 -- and I think Mr. Armstrong mentioned in some infrastructure
4465 of a highway in his state. And he mentioned maybe six or
4466 seven federal agencies that had jurisdiction that had to --
4467 had to go through that process. And every one of them, if
4468 something is different between your permit over here and over
4469 here, they get sued.

4470 So if we don't address that process and streamline that
4471 at the federal level and then we take control at the federal
4472 level, how can we meet these timelines? Is there any
4473 possible way?

4474 *Mr. Clark. Congressman, to your question, even under
4475 the best of circumstances if you -- you know, it is 2021/2035
4476 goal. In the utility business, 14 years is basically
4477 tomorrow.

4478 *Mr. Bucshon. There you go.

4479 *Mr. Clark. And to meet extraordinarily aggressive
4480 goals on that sort of timeline, considering that there would
4481 have to be a tremendous buildout of infrastructure that
4482 already is very difficult to get built in and of itself. And
4483 we heard testimony today, and we have heard it elsewhere. If
4484 you are a major transmission project crossing federal land,
4485 15 years might be an optimistic scenario to get one line
4486 built, let alone talking about an entire grid transformation.

4487 *Mr. Bucshon. Yeah. So we have seen difficulties
4488 maintaining our existing transmission lines in California.

4489 Obviously, you know, we have wildfire situations out there a
4490 lot, and some of that is related to -- honestly, I think the
4491 environmental community not allowing us to clear trees and
4492 other things away from transmission lines, that is local and
4493 federal but mostly, I think, California issues.

4494 Does this legislation address that kind of thing?

4495 *Mr. Clark. Congressman, I have to admit I haven't read
4496 the whole almost 1,000-page bill, and I --

4497 *Mr. Bucshon. Yeah.

4498 *Mr. Clark. -- focused more on --

4499 *Mr. Bucshon. Neither have I.

4500 *Mr. Clark. -- that I am testifying on. But I think
4501 under any scenario, the point that you are getting at is a
4502 good one, which is that the grid transformation, which I
4503 think the arc of is very clear. We are moving towards a less
4504 carbon-intensive grid.

4505 *Mr. Bucshon. And I agree with that. I think everyone
4506 does.

4507 *Mr. Clark. The -- getting there is tough. There is no
4508 two ways about it.

4509 *Mr. Bucshon. Yeah. I yield back.

4510 Thank you for those answers.

4511 I yield back, Mr. Chairman.

4512 *Mr. Rush. The gentleman yields back. The chair now
4513 recognizes the gentlelady from California, Ms. Barragan, for

4514 five minutes.

4515 *Ms. Barragan. Thank you, Mr. Chairman, and thanks to
4516 the panel for joining us today. Mr. Gramlich, will building
4517 a national grid help our country retire fossil fuel plants
4518 more quickly?

4519 *Mr. Gramlich. Well, I think we need a large investment
4520 in interregional transmission under any scenario for
4521 resilience. Certainly, it is the case sometimes when plants
4522 retire, as Dr. Tierney mentioned, that there are sometimes
4523 plants that are right next to disadvantaged communities that
4524 have the local emissions, and you need transmission to
4525 replace those and clean up the air. So in that respect, yes.

4526 *Ms. Barragan. Okay. So just to be clear, you do think
4527 it is going to help us to retire them more quickly or you
4528 don't?

4529 *Mr. Gramlich. Well, transmission is critical to
4530 cleaning up the grid no question. Cleaning up the grid and
4531 for system resilience.

4532 *Ms. Barragan. Okay. Dr. Tierney, on average, will the
4533 clean energy sources -- will the clean energy sources
4534 national grid -- hang on a quick second. Oh, my note is -- I
4535 think I have, when I drafted this, a little typo here. I
4536 think I am just going to ask Mr. Anderson my next question,
4537 and I will come back to that.

4538 Mr. Anderson, how can we target grid investment so the

4539 jobs they create can benefit workers and communities of
4540 color?

4541 *Mr. Anderson. That's a great question. I think it
4542 goes back to a couple of points that I made earlier, which is
4543 -- well, it is tied up with all the points we have made
4544 earlier today.

4545 Targeting the investment in a way that allows the
4546 regulated utilities to be a part of this is what will really
4547 benefit the workforce because that is where the unionized
4548 workforce really is. And that goes to the point that has
4549 been made several times today about projects first having
4550 local, state and utility buy-in as opposed to being a top
4551 down federal approach.

4552 A happy byproduct of doing that bottom-up approach is
4553 that you are organically including the unionized workforce in
4554 doing that. To your second question about the community, it
4555 is really, I think, about, I'll say, revenue flow.

4556 And the reason I say that is because even if you locate
4557 a brand-new generation asset of any type -- say it's a
4558 utility-scale solar farm, another thing that has been said
4559 today is that nobody really likes utility projects no matter
4560 what they are. And the reason is because nobody likes to
4561 look at them, frankly, and it doesn't matter really what it
4562 is. So the way that you benefit the community is you site
4563 these assets for engineering reasons or where the resource is

4564 and then think about where the revenue from that generation
4565 asset flows and identify the community that needs to be --
4566 that needs benefit.

4567 *Ms. Barragan. Okay. Thank you. Mr. Anderson, I was
4568 going to stay and follow up with you on that. Like any other
4569 work, green jobs aren't guaranteed to be good jobs. As
4570 Congress looks to invest in the grid, what labor standards
4571 should we be requiring of any companies that receive
4572 investment tax credits or other federal funds?

4573 *Mr. Anderson. Thank you for that question. That is
4574 very important. I think the first top-line thing that
4575 Congress could do, frankly, is some fundamental reform of
4576 federal labor law by which I mean passing the PRO Act and
4577 having that signed into law. Federal labor law at this point
4578 is degraded to a point where it is very difficult to use. I
4579 will say that. And -- but the second point there on labor
4580 standards, particularly when it comes to things like Buy
4581 America and procurement standards, it is also very critical
4582 to say if you are going to get the bid on this project, then
4583 these are the labor standards that you have to meet now.

4584 That doesn't -- you can't actually mandate union labor.
4585 I understand that. But you do -- you can build out a set of
4586 labor standards in such a way that that's probably where it
4587 is going to come from because that is where the really good
4588 jobs are, is in that unionized workforce.

4589 *Ms. Barragan. Great. Well, thank you.

4590 Dr. Tierney, I will have to follow up with you on my
4591 own. It is a question about whether, you know, this clean
4592 energy having a national grid is going to make it cheaper for
4593 the ratepayers compared to what they are currently paying. I
4594 don't know if you want to comment on that in my last 20
4595 seconds at all. I am happy to yield you that 20 seconds or
4596 we can chat offline.

4597 *Dr. Tierney. Well, just one thing I can say is that
4598 what transmission can provide is the ability for the grid
4599 operator to reach out to more economical supplies. So, yes,
4600 there could clearly be benefits to consumers. But I would be
4601 happy to answer that more fully. Thank you.

4602 *Ms. Barragan. Okay. Thank you. I apologize for the
4603 mix-up. With that, Mr. Chairman, I yield back.

4604 *Mr. Rush. The gentlelady yields back. The chair now
4605 recognizes the gentleman from Michigan, Mr. Walberg, for five
4606 minutes.

4607 *Mr. Walberg. Thank you, Mr. Chairman, and thanks to
4608 the panel for being here to take our questions and respond
4609 today. Mr. Clark, in your testimony, you discussed
4610 respecting regional differences. I appreciate that. You
4611 said there is no one-size-fits-all when it comes to
4612 generating and transmitting electricity in the United States
4613 and that different market structures have developed based on

4614 characteristics of each reason. It makes sense to me. The
4615 point hits home very clearly in the state of Michigan.

4616 Our energy system is unique in that the utilities own
4617 and operate generation assets and the distribution system
4618 while an independent company owns and operates the
4619 transmission system. This structure creates some challenges
4620 for us since the state public utility commission oversees
4621 generation, but our transmission lines fall under FERC. All
4622 that to say -- point out that every state, every region, is
4623 unique and have unique challenges specific to them.

4624 As opposed to only investing in new transmission lines,
4625 some states might refer non-transmission alternatives that
4626 achieve the same result in terms of reducing emissions. For
4627 instance, Michigan is one of the top three states that stand
4628 to benefit the most from deploying carbon capture
4629 technologies at existing steel and cement industrial
4630 facilities, both in terms of reducing emissions and adding
4631 economic benefit like creating thousands of new good-paying
4632 jobs.

4633 And so Mr. Clark, can you speak to the potential harm
4634 that a top-down one-size-fits-all approach to building out
4635 massive amounts of new transmission might cause to a state
4636 like Michigan?

4637 *Mr. Clark. Congressman Walberg, thank you for the
4638 question. I think what you had mentioned in your question

4639 about some of the things that are going on, it sounds like at
4640 the -- sort of the distribution side and at the retail side
4641 is a good case in point. And why I say that, it really has
4642 to take place from the bottom up and not the top down.

4643 So many of the non-transmission alternatives, things
4644 that might include demand response or energy efficiency
4645 programs, other things that take place on a customer
4646 precedent -- premises are things that, by definition under
4647 federal law, because of the line that is drawn in the Federal
4648 Power Act itself are retail activities and, therefore,
4649 subject to state jurisdiction. So states have the most
4650 experience in that. And they tend -- they, in overseeing
4651 their utility companies, will build a resource base and make
4652 decisions and balance interest based on how to best serve
4653 those customers from the bottom up.

4654 If the federal government doesn't take that into account
4655 and we are empowered to, as I suggested, just simply draw
4656 lines that may hook up what looks like a renewable rich area
4657 here to a load center here, it could actually disrupt a lot
4658 of those investments that take place in the region, whereas
4659 if the planning takes place from the bottom up, then that
4660 sort of transmission line might be supported by a broad
4661 region because it is supporting the individual choices that
4662 those states are making.

4663 *Mr. Walberg. You have a great deal of experience

4664 dealing with the thorny issues related to allocating costs
4665 for interstate transmission projects. You state in your
4666 testimony that, and I quote, transmission and generation
4667 projects exist to support customers, again going from the
4668 bottom up, as you have said.

4669 Customers don't exist to support transmission and
4670 generation projects. Do you believe we should more carefully
4671 examine how this proposed massive transmission buildout
4672 purported to be about a hundred billion dollars will affect
4673 consumer cost? A utility in my state has suggested that if
4674 this were to take place, it would cost the ratepayer a 20
4675 percent increase. Would you recommend doing so state-by-
4676 state or region-by-region?

4677 *Mr. Clark. So cost allocation is one of the most
4678 difficult challenges that FERC deals with, and it is because
4679 beneficiaries can change over time over the grid, and they
4680 are often very contested cases. And that suite of MISO lines
4681 that we had talked about earlier, Michigan was actually a
4682 state that -- that I think it was Michigan and Illinois had
4683 sued in federal court over those cost allocation decisions.
4684 So these are big-dollar values.

4685 I actually think FERC has a lot of tools to be able to
4686 come up with smart cost allocation decisions under current
4687 law. So I might be a little bit concerned about broadening
4688 federal law in ways that upset that precedent that has been

4689 established to this point.

4690 *Mr. Walberg. Well, I would as well, especially when we
4691 think about the cost of mandates to the consumers and the
4692 impact that would be unique -- in each unique region of this
4693 country. So I appreciate your comments, and I yield back.

4694 *Mr. Rush. The gentleman yields back. The chair now
4695 recognizes Mr. Palmer of Alabama for five minutes.

4696 *Mr. Palmer. Thank you, Mr. Chairman. Earlier in this
4697 panel, one of my colleagues said that these transmission
4698 lines and renewable would be competitive, that cost would
4699 come down, that -- Mr. Clark, that would only be -- that
4700 statement can only be made in the context of the massive
4701 amount of federal subsidies that go to solar and wind. I
4702 have got a report here that came out in April of this year.
4703 Shows the subsidies for wind at almost \$34 billion and the
4704 subsidies for solar at almost 27 billion. That is almost
4705 three times the combined subsidies for expensing of
4706 expiration costs for oil and natural gas and for the
4707 depletion allowance for oil and natural gas.

4708 Would -- given the -- that the taxpayers are basically
4709 having to foot the bill for this, that is not exactly a
4710 reduction in cost, is it?

4711 *Mr. Clark. So Congressman, I mean, one of the -- there
4712 have been a number of studies recently that would indicate
4713 that even without the subsidies, a lot of renewables are

4714 becoming competitive, which would seem to indicate that
4715 perhaps you don't need the subsidies to continue to promote
4716 the renewables. I think originally those subsidies were
4717 intended as sort of a jumpstart to that industry, and there
4718 was an expectation that most of those would be phased out,
4719 but they have been extended several times.

4720 They can have distortive impacts on the market. It is
4721 something that Congress will want to be aware of. But as I
4722 indicated earlier, utilities will build resources for
4723 different reasons. Renewables can be a very competitive
4724 option when it comes to things like --

4725 *Mr. Palmer. Let me just point out, having worked for a
4726 couple of engineering companies, a lot of the cost of this
4727 will be in the form of stranded costs. And it is going to be
4728 enormously expensive to completely replace the power grid. I
4729 mean, we are talking trillions of dollars to have one uniform
4730 grid. And that cost is going to be borne either by the
4731 taxpayer or the ratepayer or both.

4732 It will be borne by the people who are doing
4733 manufacturing, operating businesses. As I point out to
4734 people, businesses don't pay regulatory costs. They don't
4735 pay taxes. Consumers do. So any way you look at it, in the
4736 long-term, this is going to be extremely expensive, as was
4737 the current grid, as they are still paying for the stranded
4738 cost. I also want to raise another issue that several of my

4739 colleagues have raised that I'm -- I'm not sure that my
4740 Democrat colleagues have adequately addressed. And that is
4741 the issue of the power of eminent domain. Section 216 of the
4742 Federal Power Act authorizes the Federal Energy Regulatory
4743 Commission to issue a federal permit that preempts state
4744 limits and grant permit holders eminent domain authority. If
4745 the -- is it possible that the permit holder could be a
4746 private company?

4747 *Mr. Clark. Oh. Yes, Congressman.

4748 *Mr. Palmer. So we would be granting a private company
4749 eminent domain authority over --

4750 *Mr. Clark. That is --

4751 *Mr. Palmer. -- property owners.

4752 *Mr. Clark. That is correct. It would greatly expand
4753 the -- what is now an unused federal backstop authority and
4754 what, in my testimony, I called really just federal siting
4755 authority.

4756 *Mr. Palmer. Well, that is very disturbing to me. And
4757 I pointed out on the earlier panel the number of states that
4758 have fought these -- the expansion of these transmission
4759 lines over state property, over private property. One of my
4760 colleagues on the Republican side quoted the chairman of this
4761 committee, Frank Pallone, and his arguments against the
4762 pipeline being forced -- construction pipeline being forced
4763 on his home state of New Jersey. I respect the chairman's

4764 position on that, his -- he is absolutely right to defend his
4765 state's property rights, both the state property and the
4766 private property owners.

4767 You know, I find it striking that the federal government
4768 has -- has declared certain species endangered like the
4769 lesser prairie chicken that they are about to put on the
4770 endangered species list that will impact what is going on in
4771 the Permian Basin. But -- and I don't want to make light of
4772 this, but it is almost as though they give more power, more
4773 rights to the lesser prairie chicken than they do a homeowner
4774 or a farm owner or ranch owner or a municipality. And that
4775 is disturbing to me. So I hope that, as we go forward, Mr.
4776 Gramlich, and others on this panel that you realize that you
4777 are trampling on constitutional rights, and there is nothing
4778 in our Constitution that I think people hold as dear as they
4779 do their right to private property. I yield back.

4780 *Mr. Rush. The gentleman yields back. The chair now
4781 recognizes the gentlelady from Arizona, Ms. Lesko, for five
4782 minutes.

4783 *Mrs. Lesko. Thank you, Mr. Chairman.

4784 Mr. Clark, I have several questions for you. The first
4785 is would you say it is safe to say that if there is a
4786 mandatory provision that utility companies have to be part of
4787 an RTO or ISO, as is stated in the Democrats' bill that
4788 Arizona would probably be brought into the California ISO.

4789 *Mr. Clark. So there are not a lot of -- lot of other
4790 ISOs operating in the West. The only one that is near
4791 Arizona right now is Cal ISO. So it could be a likely
4792 candidate if it was mandated upon Arizona.

4793 *Mrs. Lesko. And so what would happen, in your
4794 estimation, if Arizona is brought into the California ISO
4795 under that authority? My understanding is the governor of
4796 California appoints the board members to the California ISO.
4797 So would that mean basically that Arizona would be governed
4798 by the governor of California?

4799 *Mr. Clark. One of the hurdles to developing an ISO in
4800 the West, quite candidly, has been that governance structure
4801 of the Cal ISO because it is appointed by the governor of
4802 California. California has such a large state in comparison
4803 to others in the West. And it has very aggressive energy
4804 policies. It has traditionally been a concern of other
4805 Western states that they don't wish to come into an ISO that
4806 has that level of sort of a political thumbprint on it. So
4807 that is a big concern for leaders across the West, yes.

4808 *Mrs. Lesko. Thank you. And Mr. Clark, would you say -
4809 - will forcing Western utilities into RTOs result in more
4810 renewable energy on the grid?

4811 *Mr. Clark. I don't believe necessarily that's case --
4812 the case. I think there are -- and part of the reason I say
4813 that is -- is ISOs in and of themselves were not designed to

4814 choose a particular resource. They were designed to operate
4815 around setting price as the mechanism that determines, say,
4816 when transmission gets built or what resources come online,
4817 what resources are dispatched.

4818 So RTOs aren't specifically designed to be transmission
4819 and green energy-building machines. I think there may be
4820 ways for the West or for other regions to achieve significant
4821 carbon reductions and a buildout in renewables but in a
4822 planned way. One of the ways that the utilities in the West
4823 have been -- have been doing that is through membership in
4824 what we had heard about earlier, the EIM, energy imbalance
4825 market, where they maintain their fleet of generation to
4826 serve their customers, but then they have a platform that
4827 rests on top of that state-regulated activity that allows
4828 them to trade more energy across a broader region.

4829 *Mrs. Lesko. Thank you. And you talked about this
4830 before. But in Section 220 of the Democrats' bill, it says
4831 it disallows state interference and a customer's right to
4832 purchase clean electricity in interstate commerce. And I
4833 believe your concern and my concern as well is that big
4834 electric buyers like data centers or Google, Amazon would
4835 then be able to do that. And the fixed cost of utilities
4836 would then be spread to the residential customers, thus
4837 increasing their cost. Is that -- am I accurate on that?

4838 *Mr. Clark. Congresswoman, that is -- that would be my

4839 concern. And that is why the -- typically states have
4840 processes for when, for example, a large buyer wishes to
4841 directly procure their energy from some other resource that
4842 there is a mechanism that they will go through to ensure that
4843 other customers are held harmless. I worry about putting a,
4844 quote/unquote, right to clean energy mandate in federal law
4845 that may preempt a lot of those consumer protection
4846 standards.

4847 *Mrs. Lesko. Thank you, Mr. Clark. And my last
4848 question is also in Section 220. It basically says FERC can
4849 charge carbon taxes on people. Is that your understanding,
4850 and would the utility rates rise for consumers in that case?

4851 *Mr. Clark. So as I read that section, yes, it would
4852 allow a pathway to make it clear -- explicitly clear that it
4853 is legal for FERC to start a process by which it would price
4854 carbon into, if the bill is passed as it is, now mandatory
4855 RTOs which would establish effectively the nationwide price
4856 on carbon. That will have the effect of raising consumer
4857 rates, almost by definition, because it is changing the
4858 dispatch stack from what would normally run to resources
4859 based on an environmental dispatch.

4860 *Mrs. Lesko. Thank you, Mr. Clark, for your testimony,
4861 and you, sir, as well, and Ms. [sic] Anderson. And I yield
4862 back.

4863 *Mr. Rush. The gentlelady yields back. The chair now

4864 recognizes the gentleman from Indiana, Mr. Pence, for five
4865 minutes.

4866 *Mr. Pence. Thank you, Chairman Rush, Ranking Member
4867 Upton, and thank you to the panel for coming here today. Mr.
4868 Gramlich, I just got here at the end. I kind of feel sorry
4869 for you. Nobody is asking any questions. And I am not going
4870 to either. Sorry.

4871 You know, the rapid rush to green envisioned by the
4872 CLEAN Future Act would outpace current technologies who move
4873 beyond the logistical reality permitting large-scale
4874 infrastructure projects. The Princeton report on
4875 transmission that has been referenced here today suggests a
4876 31 percent increase in national capacity by 2025, three and
4877 a-half years away from right now.

4878 We know that from design to completion, these types of
4879 infrastructure projects can take over 10 years and sometimes
4880 even longer. To be clear, I support efforts to modernize our
4881 grid and to reduce our emissions. Hoosiers in southeast
4882 Indiana will benefit from transmission technologies that make
4883 more efficient use of energy supplies.

4884 It is important to note that stakeholders in Indiana and
4885 cross-country are already investing in transmission projects
4886 to make this a reality. Instead of a top-down approach that
4887 many of us have talked about today, we should encourage the
4888 private investment that is already occurring by lowering

4889 barriers to continued innovation. Take the Indiana Municipal
4890 Power Agency, for example. IMPA has worked with their
4891 members to responsibly integrate a hundred gigawatts of
4892 renewable energy into the grid all without sacrificing
4893 reliability or affordability. And you spooked me with the
4894 FERC carbon tax, Mr. Clark.

4895 Unfortunately, that is not how CLEAN Future Act views
4896 his transition. Starting with the timeline set out under the
4897 clean energy standards and tied together with the national
4898 policy on transmission, utilities and public power agencies
4899 will be forced into cost-prohibitive investments that may or
4900 may not fit local needs of their ratepayers. Further, this
4901 bill will put all ratepayers on the hook for expanded
4902 electrical vehicle network envisioned by my colleagues, which
4903 doesn't really fit my rural area.

4904 Who will pay for the transmission needed to obtain and
4905 distribute dispatchable energy for electric vehicle charging
4906 equipment? This bill will spread the cause amongst all
4907 ratepayers, not just EV drivers, to subsidize retail
4908 infrastructure. And I mentioned earlier in the first panel I
4909 know a lot about retail infrastructure. I have dealt with
4910 some folks in Europe about their implementation of putting
4911 charging stations in. And it is not just a transmission to
4912 the site. It is very, very costly. In some cases, it costs
4913 a million dollars to be able to distribute it at the site.

4914 Commissioner Clark -- and again, sorry, Mr. Gramlich --
4915 across the country, leading utilities and public power
4916 agencies are already investing in transmission upgrades to
4917 provide more efficient energy distribution and to integrate
4918 more renewables into the grid. But provisions in the CLEAN
4919 Future Act disregard the regional expertise of our local
4920 authorities and stakeholders. What do you envision happening
4921 to local utilities privately owned, municipally owned, in my
4922 district that would be forced to integrate renewables into
4923 the grid before they are able to sufficiently maintain supply
4924 in a cost-effective manner?

4925 *Mr. Clark. Congressman, thank you for the question. I
4926 think it really does -- not to sound a bit like a broken
4927 record here today, but it does emphasize the importance of
4928 the bottom-up planning. And if you can do that, there is
4929 certainly lots of situations in which the local utilities
4930 will see that there may need -- be a need for a transmission
4931 line, maybe fairly large regional -- interregional lines.
4932 But it has to be based from a bottom-up analysis of what they
4933 need and not a presumption that there is one particular way
4934 that their customers should be served. If that happens,
4935 then, yes, it does have the potential of undercutting
4936 investments that they may have made locally that might then
4937 compete with lines that are brought in and against resources
4938 that are brought in that have a comparative advantage because

4939 of the, perhaps, socialized nature of the cost allocation.

4940 *Mr. Pence. I like that, socialized nature of the cost.

4941 But -- well, thank you all for being here today, and I yield
4942 back.

4943 *Mr. Rush. The gentleman yields back, and that
4944 concludes the witness questioning, and I would like to thank
4945 our witnesses for their participation in today's hearing. I
4946 must add in your testimony, your answers to some very tough
4947 questions was nothing less than remarkable and very, very
4948 informative.

4949 And I want to remind members that pursuant to committee
4950 rules, they have 10 business days to submit additional
4951 questions for the record to be answered by the witnesses who
4952 have appeared. I ask each witness to respond promptly to any
4953 such question that you may receive. Before we adjourn, I
4954 request unanimous consent to enter the following letters and
4955 documents into the record: a June 18th -- a June 28th, '21
4956 letter from the Industrial Energy Consumers of America on the
4957 CLEAN Future Act and electric transmission; a June '21 letter
4958 -- or scratch that -- a June '21 report from the Americans
4959 for a Clean Energy Grid; a June 24, '21 -- 2021 letter from
4960 the R Street Institute on the Electric Transmission Reform; a
4961 June '21 -- 20 -- June 2021 white paper from Staten Island
4962 Management Consulting on the environment transmission in the
4963 United States; a June 25th, 2021, letter from the Trade

4964 Organization of American Power on power-free electricity by
4965 2035; and lastly Chamber One from a CRS report on nuclear
4966 energy about commercial reactor shutdowns. Without
4967 objection, so ordered.

4968 [The information follows:]

4969

4970 *****COMMITTEE INSERT*****

4971

4972

4973 *Mr. Rush. That said, at this time, again, thank you,
4974 you very special witnesses, and the subcommittee now stands
4975 adjourned.

4976 [Whereupon, at 5:08 p.m., the subcommittee was
4977 adjourned.]