

**Jeff Duncan (SC-03) Opening Remarks**  
**Energy Subcommittee Hearing**  
**Federal Energy Regulatory Commission Oversight**  
**June 13, 2023**

*As prepared for delivery*

The Subcommittee on Energy will now come to order.

Thank you all for being here today for this oversight hearing with the Federal Energy Regulatory Commission (FERC). I appreciate all four commissioners being here today. FERC is a critical agency that plays a significant role in ensuring Americans have access to affordable, reliable supplies of energy.

First, I would like to commend Chairman Phillips for resetting the priorities of the Commission to focus on affordability and reliability. You have moved forward some critical natural gas projects and are vocal about the negative effects of high energy prices on consumers – the Committee appreciates your work in this regard.

The Commission, however, needs to do more to ensure the affordability and reliability of our energy system. It can do this by adhering to its core statutes governing its authorities under the Natural Gas Act and the Federal Power Act.

We are far from achieving the goals set forth in these core statutes – the past two years under the Biden Administration have severely weakened our energy security.

Prices have skyrocketed and reliability has degraded. American consumers are paying more for less energy.

I urge the Commission to return to its core mission to provide for the “orderly development of supplies of electricity and natural gas at just and reasonable rates.” This must be the Commission’s primary focus. Too many on the Left want the Commission to become an environmental regulator. The Commission’s primary authority is as an economic regulator.

The energy industry, and the American people, rely on the timely issuance of orders from FERC that help develop our energy infrastructure to the benefit of secure and affordable American energy.

Just last week, the Subcommittee on Environment, Manufacturing, and Critical Materials held a hearing on the negative effects the Environmental Protection Agency’s rule regulating the electric generation sector will have on affordability and reliability.

The Commission must do more to resist such regulations that run contrary to its core mission.

Electric reliability has significantly degraded over the past few years. Blackouts and energy rationing are now commonplace in wholesale electricity markets like California and Texas.

The nation's largest grid operator, the PJM Interconnection, issued a dire warning earlier this year that it may face significant capacity shortfalls because of, in large part, rules like the EPA has proposed.

The North American Electric Reliability Corporation (NERC) also issued a stark warning last month – that the vast majority of the country faces potential for insufficient operating reserves in above-normal demand conditions.

This is not happening by accident. It is not happening solely because of “extreme weather” or a lack of sufficient interregional transmission capacity.

It is largely happening because too much dispatchable, firm generation has retired from the bulk power system. These retirements are caused by unrealistic environmental policies, like EPA regulations and private sector Environmental, Social, and Governance (ESG) goals, as well as market frameworks that do not properly value firm generation.

Addressing this is a top priority for this Subcommittee and it should be for the Commission as well.

In February of last year, under different leadership, the Commission issued two natural gas policy statements that had a chilling effect on private investment in natural gas infrastructure.

It should come as no surprise that, according to the Energy Information Administration, in 2022, we added the least amount of interstate natural gas pipeline capacity on record since the EIA began tracking that metric.

The Commission must withdraw these policy statements to grant certainty to natural gas infrastructure developers.

I would like to commend the Commission for undertaking a proceeding to modernize wholesale electricity market design.

FERC has encouraged the development of such markets for over two decades. The bulk power system has changed drastically since – and FERC must do more to ensure these markets work for the American consumer.

I encourage the Commission to take a serious look at how these markets have affected the development of natural gas-fired generation and nuclear generation.

These two resources are critical in ensuring the reliability and affordability of our energy system.

We have seen too much of this firm, baseload generation prematurely retire from the grid over the past decade.

FERC has the authority to act and ensure resources like these are appropriately compensated for the services they provide to the grid.

And I urge the Commission to do just that.

Thank you again Chair Rodgers for holding this hearing.

I look forward to hearing from each Commissioner and now I recognize Ranking Member DeGette for her opening remarks.