

Chairman Jeff Duncan
Subcommittee on Energy, Climate, and Grid Security
**“Keeping the Lights On: Enhancing Reliability and Efficiency to Power
American Homes.”**
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As prepared for delivery

The subcommittee will now come to order.

Thank you all for being here today and welcome to the Energy, Climate, and Grid Security Subcommittee hearing, “Keeping the Lights On: Enhancing Reliability and Efficiency to Power American Homes.”

Our goal on the Energy and Commerce Committee is to enact policy that delivers affordable, reliable, and clean energy to all Americans.

Unfortunately, the energy policy coming out of the Biden Administration prioritizes the “the green transition” over security and reliability.

This July, the North American Electric Reliability Corporation (NERC) released a report that identified energy policy as one of the biggest threats to the reliability of the grid. The report specifically cites actions by policymakers to pursue renewable energy as a threat to grid security.

There is a looming resource adequacy crisis. We all need to take this warning seriously and do more to ensure the reliability and affordability of the energy system.

FERC has allowed the distortion of market incentives – such as state and federal subsidies aimed at promoting the deployment of renewables – to interfere with electricity price formation. This has contributed to the early retirement of reliable generation assets, like nuclear and natural gas.

Other factors contributing to these early retirements are unrealistic environmental polices like the EPA’s unlawful Clean Power Plan 2.0 and the Agency’s overarching power plant “Electricity Generating Unit Strategy”. NERC predicts power plants will have to comply with standards by limiting their hours of operation, taking more reliable generation off the grid.

According to NERC, the vast majority of this country faces potential blackouts. These vulnerabilities are not a result of severe weather or lack of transmission capacity, but because reliable, dispatchable, firm generation units are being retired at an alarming rate.

Prices have skyrocketed and reliability has been compromised. Americans are paying more for less. We must focus on preserving resource adequacy.

My bill, which we are reviewing today, the “Guaranteeing Reliable Infrastructure Development (GRID) Act”, would amend the Federal Power Act to require coordination between FERC and any Federal agency promulgating a regulation that could threaten the reliability of the bulk power system. I hope all my colleagues on this committee will join me in this important effort.

As we heard at our field hearing in Moore County, North Carolina in June, the Biden Administration is also pursuing energy efficiency standards that put reliability at risk, in particular their proposed distribution transformers standards.

DOE already mandates distribution transformers be manufactured at incredibly high efficiency standards—they are already 99.53 percent efficient. This new rulemaking will increase the efficiency by a fraction of a percentage point, but significantly disrupt the production of transformers, which utilities already have difficulty procuring.

To address this supply chain crisis, we are reviewing Congressman Hudson’s bill today, which will prohibit the DOE from imposing new efficiency standards for distribution transformers until 5 years after the enactment of this Act.

It is also clear this Administration is using appliance and efficiency standards as part of their agenda to “electrify everything” and pursue climate objectives over consumer choice. These new standards will increase the cost of appliances for Americans and limit the availability of consumer options.

Congresswoman Lesko’s bill would address this issue by amending the Energy Policy and Conservation Act (EPCA) to prohibit DOE from prescribing any new or amended efficiency standards that are not technologically feasible or economically justified.

The Biden Administration has used efficiency standards to target gas appliances disproportionately, despite the latest DOE numbers that indicate electricity costs 3.3 times more than natural gas.

The “whole of government” approach to the “green energy transition” has driven up the cost of energy and household necessities for Americans; and jeopardized our energy security.

I look forward to hearing from our witnesses today on how we can reverse course and their perspectives on the bills we are reviewing today.

I now recognize Ranking Member DeGette for five minutes to give her opening statement.