

## Committee on Energy and Commerce

### Opening Statement as Prepared for Delivery of Full Committee Ranking Member Frank Pallone, Jr.

#### *Hearing on “Powered Up: State Utility Regulators on Challenges to Reliable, Affordable Electricity”*

**February 14, 2024**

Today we’re ensuring that Americans have the power to light and heat their homes and that’s a top responsibility of this Subcommittee. Over time, the way we ensure electric grid reliability has changed dramatically. For most of the last century, we relied on monopoly utilities that were responsible for every step of the electricity delivery chain – from generation to transmission to distribution.

That all began to change 25 years ago when the Federal Energy Regulatory Commission (FERC) issued Order 888, which brought competition to electricity markets across the nation. The new power markets have promoted competition that has lowered wholesale energy prices and reduced greenhouse gas emissions, all while ensuring reliability.

I strongly believe that we can build an affordable and reliable grid that is powered by clean energy. After all, we can’t continue to rely on polluting fossil fuel plants that are worsening the climate crisis. Instead, we must reduce greenhouse gas emissions from power plants, while also reducing emissions of particulate matter, sulfur dioxide, and other pollutants. We know that these pollutants have devastating health impacts on the communities in which these emitting power plants reside. We simply cannot allow these plants to continue emitting unabated when real technologies exist that offer a cost-effective solution.

These new technologies are going to be critical as we continue the clean energy transition, particularly considering the reliability challenges of our fossil fuel infrastructure. In late 2022, Winter Storm Elliott brought dangerous winter conditions to large parts of the country. Over six million customers experienced power outages during the storm, outages that were largely caused by freezing at natural gas-fired power plants and the inability of pipelines to deliver gas to power plants in freezing conditions. After conducting a review of the outages that occurred in the Carolinas and Tennessee, FERC Chair Willie Phillips emphasized that Congress must fill the regulatory gap that exists for gas reliability. In the wake of the Northeast blackouts in 2003, Congress amended the Federal Power Act to create mandatory reliability standards for electricity. However, even though many electric systems base their reliability on the operation of the gas production, transmission, and generation systems, there are no mandatory reliability requirements for the gas system.

So if we care about reliability, we cannot allow this double standard to continue. Any system is only as reliable as its most unreliable component, and if the gas infrastructure that the power system relies upon is unreliable, then that has serious consequences for electric reliability. Last Congress, Democrats delivered on electric reliability with the Bipartisan Infrastructure Law that included \$25 billion to support grid reliability. Of course, not one Republican on this Committee supported that historic legislation. And just this year President Biden’s Department of Energy has announced over \$7 billion in grants, incentive payments, and capacity contracts to strengthen the grid. This level of investment in our nation’s electric

February 14, 2024

Page 2

infrastructure has not been seen since the days of rural electrification as a part of the New Deal. These investments will greatly enhance electric reliability throughout the nation.

Democrats also invested in energy efficiency – with nearly \$5.5 billion in the Bipartisan Infrastructure Law and \$9 billion in the Inflation Reduction Act. As I'm sure all today's witnesses know, the cheapest megawatt is the one you never have to use, and energy efficiency programs represent a huge potential source of reliability, especially as electrification rates increase due to consumer preferences.

Finally, resilience and reliability upgrades to the grid can be transformative and cost effective. These upgrades can be everything from grid-enhancing technologies to the linking together of previously-separated grids. I believe any comprehensive discussion of reliability must include consideration of these elements, and I frankly find it disappointing that so far, the Republican majority has been unwilling to engage in that conversation.