Chair Jeff Duncan
Opening Statement—Subcommittee on Energy, Climate, and Grid Security:
"Powering AI: Examining America's Energy and Technology Future."
June 4, 2024

As prepared for delivery

Thank you all for being here today and welcome to the Energy, Climate, and Grid Security Subcommittee hearing titled, "Powering AI: Examining America's Energy and Technology Future."

We are here today to examine the next frontier of the American economy – the digital information economy. Data centers and AI are powerful tools that give America an edge. To stay ahead of our adversaries and competitors, we must keep this edge.

At the same time, we have to maintain our energy dominance. America is blessed with tremendous natural resources. Our energy future directly impacts our technology future – in fact, our energy dominance will now be the reason for our technology dominance.

For decades, electricity demand has remained flat. That is no longer the case. In fact, we are seeing demand grow at a scale and pace that many utilities have never seen before.

By some estimates, demand will grow by 5% per year nationwide through the end of the decade. But in certain parts of the country, demand could grow by as much as 20%. Regardless of the exact number, we know electricity demand is surging in many places because of data center growth, new manufacturing, and electrification.

This electricity demand from data centers and manufacturing is not like residential demand that uses a little electricity here and there and can be asked to turn off through demand response and virtual power plants. Many of these enterprises run non-stop at 90% of their full potential. They can't afford disruptions, shortfalls, or blackouts; they require 24/7/365 electricity to power American innovation. If data centers, including those using AI, need constant power, they cannot rely upon intermittent resources for that firm, dispatchable power.

At the same we are seeing demand surge, grid experts have warned for years that the reliability of our electric grid is in danger of blackouts. Much of this grid reliability crisis is because of the premature retirement of our most reliable resources like coal, natural gas, and nuclear.

A perfect example of this is the nation's largest grid operator, PJM. Two states seeing some of the largest increases in data center demand – Virginia and Ohio – are in PJM.

PJM is warning us that up to 30% of its generation could retire by 2030 while energy consumption is projected to increase by 40% by 2039.

So, on the one hand we are subtracting our most reliable generation and on the other hand, we are saying we need more power.

If the U.S. is going to rise to the energy and technology challenge, we must embrace energy expansion. Pipelines are essential to the energy security of the United States. If we don't have the necessary infrastructure to deliver energy from producers to consumers, we will undercut our economic, energy, and technology security.

If we are going to meet the energy needs and climate pledges of technology companies, we are going to need new nuclear, both large reactors and small modular reactors. The bipartisan work this Committee has done on nuclear energy with the Atomic Energy Advancement Act will help deploy more nuclear energy – emissions-free, firm generation.

As we build out this new infrastructure, we must ensure that residential ratepayers feeling the squeeze from inflationary policies of the Biden administration are not burdened with even higher utility bills.

Despite the many benefits of data centers, we must make sure that costs for electric infrastructure are paid by those customers causing the costs. They should not be disproportionately spread to residential ratepayers and other captive customers.

The pace and scale at which we are seeing data centers come online requires data center companies, utilities, regulators, and policymakers to work together early and often.

Communication, new frameworks, and long-term planning are vital to meeting the technology and energy needs of this decade and decades to come.

Thank you to the witnesses for being here today. We look forward to hearing from you on how we can meet the energy demands of America's technology future.

I now recognize Rep. DeGette for five minutes.