

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Subcommittee on Energy, Climate, and Grid Security
Ranking Member Diana DeGette

Hearing on “The Fiscal Year 2025 Federal Energy Regulatory Commission”

July 24, 2024

Thank you, Chair Duncan. I’m glad to see the Commission at full strength with 5 Commissioners and encouraged by its two recently finalized rules. The work FERC does every day is critical to the United States’ overall energy system. It is the agency that can bring our nation’s energy system into the 21st century and ensure Americans maintain access to the affordable, reliable electricity they need. That is why FERC is so important, and it’s why I’m glad we are having this hearing today.

As our nation’s demand for energy increases in the coming decades, so must our ability to transmit energy efficiently and effectively across the country. Since the transmission of energy is one of the most important facets of our nation’s overall energy system, one of the most important things FERC can do now to help us modernize the grid is facilitate the deployment of transmission lines throughout the U.S. It began that process by issuing Order 1920.

Order 1920 is a much-needed rule that will, for the first time, require grid operators to plan for the long-term in their regional transmission plans. It’s supported by a broad swathe of advocates from across the political spectrum. It’s supported by many state utility commissioners, including 33 state commissioners who wrote a letter to FERC in favor of the rule – that list of supporters includes the Chairman of the Colorado Public Utility Commission, along with three commissioners from the state of Washington.

I’d like to insert that letter into the record, along with an op-ed by five state commissioners – including Ann Rendahl from Washington State – about how the rule increases reliability and affordability without compromising state authority. I believe the challenges Order 1920 is facing are wrongheaded. This order, as Chairman Phillips has pointed out time and again, gives states and grid operators unprecedented amounts of flexibility in their transmission lines. It doesn’t require grid operators to build any lines. So, concerns it forces costs onto consumers who don’t benefit or it somehow triggers the major questions doctrine are off the mark.

It is simply incremental progress on a long history of FERC regulation over interstate transmission – something the Federal Power Act explicitly grants. That doesn’t take away from its importance. But, by itself, the rule is not sufficient to solve all of our issues with transmission. Both Congress and the Commission must continue to act.

We have heard repeatedly that Congress must make it easier to site and permit transmission lines. That is our job. But it is FERC’s job, now, to improve the interregional transmission process – enhancing the planning across grid seams will be so important as power demand starts increasing materially for the first time in twenty years. I know Order 1920 was a lot of work, and it took years to pull together. I know

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resolving the rehearing, compliance, and litigation processes will take even longer. But FERC must continue to press forward.

If we, as a nation, are going to be successful in making the transition to clean energy, the work FERC is doing to utilize grid enhancing technologies, like dynamic line ratings, is more important than ever. We must build out more transmission capacity in this country, and we need to take steps now to modernize our grid to get more electricity out of our existing infrastructure. I would encourage the Commission to continue advancing these important technologies.

And I want to encourage it to do so in a way that focuses on addressing environmental justice. It is no secret our energy system and the pollution it creates disproportionately impacts low-income and disadvantaged communities. As we continue to develop energy infrastructure, we must do so in a way that fully incorporates the voice of those directly impacted by energy infrastructure and its pollution.

Last year, Ranking Member Pallone and I sent a letter to Chair Phillips urging FERC to incorporate environmental justice into its decision-making process. Let's bring our energy grid into the 21st century, but let's make sure we are doing so in a way that doesn't ignore the most vulnerable among us.

I yield back.