

## Committee on Energy and Commerce

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

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

July 24, 2024

I would like to welcome all five FERC Commissioners here this morning, especially Commissioners Rosner, See, and Chang, who were just sworn in over the last month, and who haven't yet appeared before the Committee. I'm pleased that FERC is back to its full complement of five commissioners.

FERC's role is to ensure that Americans have access to reliable and affordable energy. For nearly a century, FERC and its predecessor, the Federal Power Commission, have been charged with ensuring that electricity and gas prices remain affordable.

But how the Commission ensures that rates are just and reasonable has evolved over the decades. Over a quarter-century ago, FERC issued Order 888, bringing competition to power markets across the country and lowering prices while ensuring that the bulk power grid remains reliable. FERC then issued Orders 890 and 1000, which aimed to eliminate discrimination and increase transparency in grid planning. Finally, just two months ago, FERC issued Order 1920, which builds upon those three earlier rules to focus on grid planning for the long-term.

FERC's authority to take these actions is clear. The Federal Power Act is explicit in conveying authority to FERC over the transmission of electricity in interstate commerce, and FERC's actions have repeatedly been upheld in court. In fact, courts have long deferred to FERC on its ratemaking authorities, without relying upon Chevron deference that the far-right majority of the Supreme Court threw out last month.

Failing to plan is planning to fail, and the basic principle of Order 1920 is that grid planning is essential to maintaining just and reasonable rates. I agree, and I have been encouraged by the reception the rule has received from nearly every corner of the political world, except from Congressional Republicans. It seems Republicans would prefer that their constituents be slapped with higher power bills because utilities are not required, for example, to plan for the impacts of severe weather on the grid.

But more broadly, I am deeply concerned that FERC's independence – which is critical to its ability to set rates – is under threat. During the Trump Administration, Secretary of Energy Rick Perry ran roughshod over FERC's independence by pressuring it to adopt a rushed proposal that would have increased power prices to pay old, polluting coal plants to stay online.

Thankfully, FERC unanimously repelled that attack on its independence. But if Republicans get their way, next time it will be much worse. Trump's Project 2025 is a plan to consolidate power in the White House, gut checks and balances, and eliminate the independence of agencies like FERC. Trump's Project 2025 calls independent commissions, like FERC, “constitutionally problematic.”

And I'd like to remind my GOP colleagues that Trump himself posted on his own website that he wants to bring independent regulatory agencies back under Presidential authority. That means that the

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next time a Republican President pressures FERC with a disastrous idea that would increase electricity prices for Americans, FERC won't be able to fight back – the President would just fire any commissioner who disagreed with him. Trump's Project 2025 is a way for extreme Republicans to take control over Americans' lives and freedoms.

Trump has proposed requiring FERC to submit any proposed regulations for review – forcing every compliance order, every tariff revision, and every request to adjust rates to the White House for review. It's not enough that they are using the Supreme Court to destroy the government's ability to function – they want to now use the power of the White House to do it, too. That's dangerous considering that Trump has absolutely no problem putting polluters over people.

I certainly hope that all of the commissioners before us today agree that FERC's independence is vital to its mission. But the reality is that even FERC is under attack from extreme far-right Republicans.

Much has been made of Commissioner Christie's dissent to Order 1920. I disagree with it, and think it misses the mark. But he has a fundamental right to file that dissent, despite the Chairman's disagreement. If Republicans get their way, there might not be many more dissents on FERC orders – commissioners that refuse to follow the party line will simply be ousted from the Commission entirely.

The issues FERC deals with are complex, yet they impact every American's monthly energy bill. That's why Congress chose to have an independent agency deal with these issues rather than one more firmly embedded within the Presidency. I think it's vital that we keep it that way.

Thank you, and I yield back the balance of my time.