

Testimony of Chairman Willie Phillips  
Federal Energy Regulatory Commission

Before the U.S. House of Representatives Committee on Energy and Commerce

Subcommittee on Energy, Climate, and Grid Security

**The Fiscal Year 2025 Federal Energy Regulatory Commission Budget**

July 24, 2024

Chairman Duncan, Ranking Member DeGette, Chair Rodgers, Ranking Member Pallone, and members of the Subcommittee. Thank you for inviting us here today to testify regarding the Federal Energy Regulatory Commission (FERC or Commission) and our work on behalf of the American people. I am particularly pleased to appear before you alongside my three new colleagues as well as Commissioner Christie, as part of a full, five-member bipartisan Commission.

FERC's mission is to ensure that Americans have access to reliable, safe, secure, and economically efficient energy at a reasonable cost. Energy is the single most important commodity we produce as a country. Access to reliable and affordable supplies of energy is necessary for American families and for our nation's economy to remain the largest and most dynamic in the world.

With that in mind, I am pleased to share with you some of the most important steps that the Commission has taken to ensure reliability and affordability during my year-and-a-half as Chairman.

Let me begin with our work on electric transmission. The electric transmission grid is the backbone of the American economy and an essential aspect of our national security. Electricity demand continues to grow, and ensuring we have a robust, well-planned electric transmission grid is a *reliability imperative*. It is also an *affordability imperative*: the grid is what gives those same consumers access to diverse, low-cost sources of electricity that are necessary to ensure energy bills remain just and reasonable.

Earlier this year, to address those imperatives, the Commission issued Order Nos. 1920 and 1977. Together, these two rulemakings represent a tremendous step forward in how we plan, pay for, and permit the electric transmission infrastructure we need for reliability and affordability. Order No. 1920 requires utilities to plan today for the factors that we know will drive tomorrow's reliability and affordability needs while requiring that customers pay for new transmission only to the extent that they benefit from that infrastructure. Let me say that again: If you don't benefit, you don't pay. Order No. 1977 implements Congress's amendments to the Federal Power Act in the Infrastructure Investment and Jobs Act, which clarified the

Commission's limited role in siting electric transmission, in a manner that respects and accommodates states' primary role in siting electric transmission.

Those two rulemakings build on the success of Order No. 2023—the generator interconnection rulemaking we issued last summer. Order No. 2023 took several important steps so that generating resources can interconnect to the grid in a timely and cost-effective manner, including a shift to a first-ready, first-served model and the establishment of firm study deadlines.

In addition, in the year since we last appeared before this Committee, the Commission has taken several other, critically important actions to ensure reliability and grid security. That includes approving new mandatory reliability standards for inverter-based resources and approving new mandatory reliability standards covering generators cold-weather preparedness and operations. We have worked to further investigate and promote best practices regarding physical security, cyber security, extreme weather events, and black start capabilities, among others. It is also important that electricity market mechanisms are designed to address electric reliability. That is why we held two forums on resource adequacy and have since approved various market reforms that ensure that generating resources are appropriately compensated for the reliability benefits they provide to the system. As I have maintained since the day I joined this Commission, reliability is—and always must be—this Commission's job number one. I am confident that these and other actions we have taken over the past year put that promise into practice.

Finally, I will close by noting that we have continued our efforts to streamline the Commission's permitting processes and timely approve projects. When assessing whether an infrastructure project is in the public interest, the Commission considers environmental impacts, including those related to environmental justice. As Chairman, I have made it a priority that environmental justice communities and landowners are able to meaningfully participate in our processes and have their voices heard. I am happy to report that this Commission is continuing to do everything we can within our authority to facilitate the development of the infrastructure we need to unlock our nation's energy resources while ensuring that our orders remain legally durable.

Thank you again for the opportunity to testify today. I look forward to your questions.