

Committee on Energy and Commerce

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

Hearing on “Keeping the Lights On: Examining the State of Regional Grid Reliability”

March 25, 2025

For the third time this Congress, we’re having an important hearing focusing on the reliability and affordability of electricity in this country. And for the third time, my Republican colleagues are going to purposefully ignore the fact they’re attempting to repeal the single biggest incentive to build electricity capacity in this country – the Inflation Reduction Act.

Repealing billions of dollars in technology neutral funding for all types of new energy is not the way you address the increasing need for energy.

It also ignores the fact that the Trump Administration is freezing federal funding and trying to rescind grants for grid reliability projects that the grid operators sitting before us today have said are vital to addressing increasing energy demand. It also ignores the fact that President Trump is attempting to put tariffs on electricity imports from Canada, which could seriously drive-up energy costs for people in the Midwest and Northeast.

It’s time that we recognize that the chaotic and constantly changing policies of Trump and Elon Musk are the single greatest threat right now to grid reliability.

Just last week, yet another study came out – this time from Energy Innovation – showing that repealing the Inflation Reduction Act would increase American families’ power bills. Republicans are talking about the importance of affordability, but their actions don’t match their words.

Despite continued Republican attacks on our grid’s reliability and affordability, today’s hearing is important. Regional grid operators play a critical role in keeping the lights on for their customers. Twenty-seven years ago, FERC Order 888 brought competition to electricity markets around the country. Since that time, the competition encouraged by these markets has broadly lowered wholesale energy prices and made the grid cleaner, all while ensuring reliability.

But that’s not guaranteed, and I’m worried that some of the rules of the road that govern Regional Transmission Organizations could start to harm consumers. Last year, partially as a result of poor market design, capacity prices in the PJM region exploded from \$29 to \$270 per megawatt-day. These price increases aren’t abstract – they are directly responsible for a roughly \$25 per month increase in New Jersey power bills that my constituents will start feeling in June.

Mr. Asthana, I want to be clear: this is completely unacceptable. PJM’s years of dragging its feet on reforming its capacity markets and interconnection queue are finally coming home to roost, but it’s my constituents who are stuck paying the bill. PJM has demonstrated a complete inability to connect resources to the grid in a timely fashion. I recognize that PJM has taken a number of steps in the last few years to rectify this, but frankly it’s too little, too late – the years of inaction have already taken their toll. A recent report found that if PJM had implemented proactive transmission planning and simplified interconnection processes years ago, it could have avoided half of these costs.

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And I'm frustrated that PJM is touting its progress in connecting more energy to its grid when it still has not fully complied with FERC's requirements under Order 2023. Meanwhile, PJM is spending my constituents' ratepayer dollars suing FERC over Order 2023 – creating further uncertainty for potential developers of power plants. Mr. Asthana, your organization simply must get its act together. I appreciate that PJM has introduced some short-term tweaks to its market, and is working together with states, including New Jersey, to find a pathway to protect ratepayers. But this all should have been figured out years ago.

As we continue this discussion today, it's important we recognize that in this time of increased demand for electricity, families are increasingly at risk of their power bills becoming unaffordable. Grid operators – and, frankly, FERC – must remember that they have a legal obligation to ensure that their policies are just and reasonable. Anything else does a disservice to the American people who depend on you.

I yield back.