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ASSURING ABUNDANT, RELIABLE AMERICAN ENERGY TO POWER INNOVATION

WEDNESDAY, APRIL 30, 2025

House of Representatives,

Subcommittee on Energy,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:15 a.m., in Room 2123, Rayburn House Office Building, Hon. Robert E. Latta [chairman of the subcommittee] presiding.

Present: Representatives Latta, Weber, Allen, Balderson, Pfluger, Harshbarger, Miller-Meeks, James, Bentz, Langworthy, Rulli, Evans, Goldman, Fedorchak, Guthrie (ex officio), Castor, Peters, Menendez, Mullin, McClellan, DeGette, Tonko, Veasey, Schrier, Fletcher, Ocasio-Cortez, Auchincloss, and Pallone (ex officio).

Staff Present: Ansley Boylan, Director of Operations; Clara Cargile, Professional Staff Member, Energy; Jessica Donlon, General Counsel; Andrew Furman, Professional Staff Member, Energy; Sydney Greene, Director, Finance and Logistics; Emily Hale, Staff Assistant; Calvin Huggins, Clerk; Megan Jackson, Staff Director; Adam Joseph, Digital Director; Sophie Khanahmadi, Deputy Staff Director; Mary Martin, Chief Counsel, Energy;

Joel Miller, Chief Counsel; Ben Mullany Press Secretary; Seth Ricketts, Special Assistant; Jake Riith Staff Assistant; Jackson Rudden, Staff Assistant; Chris Sarley, Member Services/Stakeholder Director; Peter Spencer, Senior Professional Staff Member, Energy; Kaley Stidham, Press Assistant; Matt VanHyfte, Communications Director; Waverly Gordon, Minority Deputy Staff Director and General Counsel; Kristopher Pittard, Minority Professional Staff Member; Emma Roehrig, Minority Staff Assistant; Kylea Rogers, Minority Policy Analyst; Andrew Souvall, Minority Director of Communications Outreach and Member Services; Caroline Wood, Minority Policy Analyst; and Tuley Wright, Minority Staff Director, Energy.

Mr. Latta. Good morning. I call the Subcommittee on Energy to order, and the chair recognizes himself for 5 minutes for an opening statement.

Again, welcome to today's legislative hearing, "Assuring Abundant, Reliable American Energy to Power Innovation." Today, we will hear from representatives from the Department of Energy and the Federal Energy Regulatory Commission and industry stakeholders as we consider 14 bills that span the needs of our energy sector. The legislation before us seeks to address systemic issues that are holding back our country's economic and technological potential.

The prosperity and security of our Nation has always been linked to abundant, reliable, and affordable energy. Today's challenges are no different. We need reliable and affordable energy to fuel developments in artificial intelligence, reshore domestic manufacturing facilities, support the agricultural industry, and lower costs for hardworking Americans. All the while, abundant energy resources can reduce the influence of adversarial nations like Communist China, protect against foreign subterfuge, and support our allies abroad.

This year, our Energy Subcommittee has heard extensive testimony from grid operators, utilities, and co-ops, energy sector experts, and leaders in the AI community regarding the needs of our energy industry. Simply put, we need more energy and we need it fast to put the country back on a path towards prosperity. Many of the bills before us today will do just that.

At our recent hearing with all seven regional grid operators, we heard about the growing reliability crisis being caused by Federal policies like the Clean Energy Plan 2.0 that are driving out baseload power and threatening the reliability of the grid. This

sentiment is shared by the North American Electric Reliability Corporation, or NERC, who have been raising red alarms about the growing reliability crisis for the last 5 years. Importantly, the Reliable Power Act will task FERC as the rightful reliability watchdog against unreasonable government overreach.

We know that dispatchable generating resources provide the necessary stability, inertia, and spinning mass to maintain frequency and voltage support of the electric system. The GRID Power Act will ensure that these resources are prioritized and added to the system in a timely manner.

As we have also heard from regional grid operators and the experts in the power sector, misguided State actions that limit dispatchable resources are having an outsized impact in the growing reliability crisis. Two bills under consideration today, the State Planning for Reliability and Affordability Act and the Reliability Protection for States Act, will encourage States to take a greater role in protecting reliability and affordability and hold States accountable for the impacts of policies that could undermine an efficient electric system.

Additionally, this committee has continued to observe supply chain constraints for critical grid components that are slowing generation and development at a time where demand is projected to skyrocket. The Electric Supply Chain Act, which I intend to introduce, takes a proactive approach to identifying and addressing emergency issues that affect the power sector. I know we have reached out with my staff to the minority staff about working on this bill together, and I hope that one of our Democratic colleagues will join me in this effort.

Similarly, I know that Republican staff has offered to work with the Democrat staff on the Hydropower Relicensing Transparency Act and even have a Democrat Member lead on that bill. We hope to find bipartisanship together to preserve this important

generating resource.

Alongside these efforts, several bills under consideration today will improve the Federal permitting process to unleash our abundant natural resources and fuel economic development.

At our hearing with a local representative from the pipefitters union and oil and gas industry earlier this year, we heard about the economic benefits of energy infrastructure development and family-sustaining careers for union members. Consideration of the Improving Interagency Coordination for Review of Natural Gas Pipelines Act and the Promoting Cross-Border Energy Infrastructure Act could greatly improve our permitting processes and ensure that our Nation can lead in the next-generation economy.

Given our Nation's role as a premier energy producer on the global stage, the Unlocking our Domestic LNG Potential Act will unleash exports to support our allies and leverage American energy dominance to advance our national interests.

We have also included, at our Democrat colleagues' request, legislation from my ranking member colleague on the interconnection queue. While I may not agree with everything in the bill presently, I look forward to working with the gentlelady from Florida to see if we can land on an agreeable position.

Altogether, the bills before us today represent an opportunity for this committee to refocus the Federal Government's approach to the energy sector to ensure abundant, reliable, and affordable energy to power innovation in the future. The Nation and the world are safer when the United States is energy dominant.

And, with one second and zero right there, I yield back the balance of my time. And, at this time, I recognize the gentlelady from Florida's 14th District, the ranking member of the subcommittee, for 5 minutes for an opening statement.

[The prepared statement of Mr. Latta follows:]

******** COMMITTEE INSERT ********

Ms. Castor. Well, thank you, Chairman Latta. Thank you for calling this hearing. Thank you for including the Expediting Generator Interconnection Procedures Act, a bill to direct FERC to make common-sense updates to speed up interconnection and give grid operators more flexibility and proven tools like automation.

You know, as policymakers, we have a responsibility to do all that we can to ensure that electricity is affordable and that our energy system is reliable, and our challenge is greater now due to rising electricity demand driven by the economic growth and the manufacturing boom of the past few years, driven by broader electrification and the way we live our lives, and by AI data centers.

We also cannot become complacent to the higher costs and harm caused by the climate crisis. The climate crisis is driven by the burning of coal, oil, and gas, and my neighbors back home in Florida are rebuilding their lives after the worst hurricane season ever where the hotter temps and hotter ocean waters supercharged Helene and Milton into super storms, and we are not alone when you look out across America with devastating fires, floods, and other catastrophes that hit everyone's wallets and drive up the cost of insurance and government disaster aid outlays.

But we can be encouraged by good news. Cleaner, cheaper energy and the good-paying jobs tied to it are lifting communities and hardworking Americans like never before. In 2022, Democrats advanced policy that unleashed American energy dominance, leading to more than 400,000 new clean energy jobs and over $422 billion in investments. One recent report highlighted the substantial economic benefits, noting that the clean energy tax credits will grow the economy by $1.9 trillion over the next 10 years. And the benefits extend out beyond the energy sector, positively impacting transportation, manufacturing, and more.

Among the most significant impacts in the last 2 years is the substantial increase in

domestic manufacturing. That is a bipartisan goal for sure, as is countering China's predatory behavior, and Congress now is considering how to move forward.

Unfortunately, many of the bills being discussed today miss the moment entirely and clearly would raise costs on consumers and businesses back home, like the bills that give FERC unilateral power to force utilities to keep unprofitable, polluting generators like aging coal plants online, or like the bills that give FERC -- excuse me -- the bills that are also trying to make it easier to export natural gas to foreign adversaries, which also will raise costs on American consumers and possibly divert energy away from U.S. power needs, and bills to reestablish a National Coal Council, which the Trump administration already did 3 weeks ago.

Costs are rising, too, due to the illegal delays and the outright cancellation of key energy projects and Elon Musk's nonsensical chainsaw firing of American energy experts, 3,500 at the Department of Energy. Trump has frozen cost-saving energy rebates for our neighbors back home while instituting the highest taxes on everything imported into America since the Great Depression. If my Republican colleagues wanted to build a stronger, more reliable energy system, they would stand up to the illegal interference in these key energy projects.

The offices established to modernize the grid, reduce energy demand, and get power projects online faster -- they have lost half of their experts. That is not smart. That is not wise. That is not how we operate in this great Nation.

Surveys report that 73 percent of Americans are concerned about rising electricity bills, a problem energy experts say will only be worsened by the Trump administration's policies. Earlier this month, Trump administration officials gutted the Low Income Home Energy Assistance initiative which helped 6 million Americans afford their heating and cooling bills, and I hope my Republican colleagues won't make it worse.

Businesses large and small are advocating for a Republican reconciliation bill that keeps energy costs low and keeps our domestic manufacturing boom going so that all Americans can benefit rather than providing a massive tax cut for the wealthy and well-connected.

I believe this committee can work together to advance policies that deliver more affordable energy to our neighbors back home with a modern grid and a reliable system. This requires real solutions that meet the magnitude of the challenges we face today. Thank you, and I yield back.

[The prepared statement of Ms. Castor follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Thank you very much. The gentlelady yields back, and the chair now recognizes the chairman of the full committee, the gentleman from Kentucky, for 5 minutes for an opening statement.

The Chair. Thank you. And I appreciate that. And I appreciate my friend from Florida. I think we can find some common ground on this, at least I certainly hope that we do.

I had the opportunity a couple days ago to speak to -- our electric co-ops are in town. And Kentucky is a very co-op-heavy State; so I have a lot of good friends here in town that are looking to provide electricity. And I said to them -- I said, you know, it is kind of interesting. I guess there couldn't be a more exciting time to be a member of a co-op than the 1930s when you first started out when you were providing electricity to everybody. If you think about it, that is what the co-ops are for.

But now we know that, throughout the course of particularly the last generation, we have had kind of flat because we have become more energy-efficient -- which is absolutely important -- but, unfortunately, the demand didn't increase as well because of some of the deindustrialization that has gone on.

But the times have changed. So what I have tried to do -- and I think, hopefully, in a responsible way -- somebody even commented in our last full committee hearing that our witness didn't say a lot of Republican things. Well, that was on purpose. I didn't ask for one who is going to come and talk about Republican issues. I wanted to talk -- frame the issue in a way that both sides would listen to.

And so I think Mr. Smith said that technological revolution and prosperity promises to depend entirely on a modern, resilient, vastly expanded energy infrastructure. And he also talked about -- if you look at some of his records, particularly his foundation, they focus on climate change as well.

So how do you put these two together? I am not dismissing anything that my good friend from Florida said, but we have to realize we are in a colossal battle. The colossal battle is with China. Europe has chosen not to -- we had in our hearing -- chosen not to participate in this by their energy policies and their regulatory policy.

So what I would love for us to be able to do -- both sides of the aisle -- to come up with a responsible energy policy where we have -- we meet the current demand, the demand that is coming in the next few years, but also know that we have to have cleaner demand as we go forward. But we have 152 gigawatts of power expected to come online in the next decade. We have 112 gigawatts of power expected to go offline at the same time. And so, to me, it seems the easiest thing to begin to address is to make sure we don't take power out of commission, and then we look at how do we bring other power into commission.

Wind and solar is part of it. If you look at the supply chains, it is harder to build natural gas plants quicker because of some of the supply chain issues, and so wind and solar and increase in demand -- that has to be part of the solution. But, when you subsidize it to the point where people don't people broad-based dispatchable power because they can't compete with it -- because of the subsidy, not because it is more competitive -- then we have to be mindful of that policy because then it ends up distorting the market where we don't get what we need.

So kind of, as I sat down with my good friend, Mr. Latta, as chairman, and Morgan Griffith, who is environment -- we have got to figure out how we tie these two things together. We have people passionate about expanding Americans' energy infrastructure so we can beat China. We have people passionate about -- I think all of -- actually everybody on this panel and both sides on the dais -- both sides of the

aisle -- I don't know of 435 people here who don't think that beating China to AI is important. The question is how do we do it and how do we do it responsible and what tools do we need. We know we need energy. And we know we need energy.

And I would really like people -- as I talked about the co-ops, they have to figure out what they are going to invest and how they are going to invest. And an energy infrastructure takes 30 years to pay back sometimes. It is a 30-year investment. And when the policies seem to change every 2 years or 4 years based on a congressional election or Presidential election, it is difficult to do that.

So my hope is, over the course of -- if you looked at the hearings we have had and the big hearing we had, we laid out the challenge. If we don't meet the energy demand, we are not going to win the battle for AI, and that is catastrophic, I think, for our country. I think it is catastrophic for the world.

And so how do we do it that satisfies a broad group of people so that people can say, hey, this isn't just going to come with a change in political wins. This is going to be here. So we can invest our money. We can invent to produce the power so that people will have it that will defeat China to AI.

I think it is critically important. That is the theme of all these hearings we have had. That is going to be the theme of the hearings we will have. And I really am optimistic that we can work together to be responsible but also provide the power that we need to win this battle because it is a battle and we are going to win it. Thank you, and I will yield back.

[The prepared statement of The Chair follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Thank you. The gentleman yields back the balance of his time.

The chair now recognizes the ranking member of the full committee, the gentleman from New Jersey, for 5 minutes for an opening statement.

Mr. Pallone. Thank you, Mr. Chairman.

We are now 100 days into the second disastrous Trump administration, and the economy is reeling. Trump's tariffs will cost American families nearly $5,000 per year. The economy actually contracted the last quarter and continues its downhill path under the President. Yet, Republicans in Congress just look the other way, instead focusing on moving legislation that will make America's power grid dirtier, more expensive, and less reliable.

Five of the bills before us today are simple retreads from H.R. 1, Republicans' failed bill from last Congress that put polluters over people. These bills represent various handouts to Big Oil and Gas. They come at the expense of higher, more volatile energy prices for hardworking American families and more pollution in our communities. Some bills that were not included in H.R. 1 contain proposals that would let gas generators jump ahead in the interconnection queue. One would stick Americans with the cost of an uneconomic coal plant, regardless of whether these plants are actually needed for reliability. And I think these bills have serious flaws, and I look forward to hearing more about them today.

I wanted to once again note that my constituents in New Jersey are facing a triple-digit annual increase in their power prices. Just yesterday, I sent a letter to the chair of the Federal Energy Regulatory Commission backing up a request from New Jersey's Governor Murphy that FERC investigate the most recent capacity auction that is at the root of New Jersey's price increases.

The price increases facing New Jerseyans are due to the incompetence of PJM, the

region's grid operator. PJM has simply been too slow to hook up new energy to the grid. Once PJM has installed its new leadership, it needs to explicitly focus on getting as much power onto the grid as quickly as possible.

And that brings me to Ranking Member Castor's Expediting Generator Interconnection Procedures Act which would have FERC push beyond the interconnection reforms it made 2 years ago. The bill would address quicker and innovative ways to study grid impacts and allow generators flexibility in the type of grid connection they want to receive. In short, the bill would allow more power to connect to the grid faster, which is what we have heard stakeholders demand in four hearings just this year, and I certainly hope we can continue to move forward with that bill.

I think it is ridiculous that Republicans are trying to grant additional authorities to FERC when the Trump administration unleashed a unprecedented attack on the Commission last week by forcing out Commissioner Willie Phillips. Just last month, we heard every single grid operator plead with us to make FERC less politicized and maintain its independence from the President, and I guess Republicans think that Donald Trump knows better than our Nation's grid operators about how to make a reliable power grid.

I am also deeply disappointed that Republicans are leading off this Congress with tired reruns of ideas that, in some cases, they have been trying to pass for a decade. All year, we have heard numerous energy industry leaders beg us to take a radically different view of the power grid in light of the coming power demand. We must get resources hooked up to the grid as fast as possible, and we must build out and enhance our grid so it can deal with the increased demand for electricity that we know is coming.

This subcommittee has held multiple hearings this year where we have heard testimony saying that we can't afford to disincentivize energy development in the tax code, that we can't gut the offices at the Department of Energy that are responsible for

enhancing our grid, offering financing to energy products like the restart of the Palisades Nuclear Plant, and ensuring that our energy supply chains are stable, and yet Republicans and the Trump administration are doing all of these things despite warnings that those actions would be catastrophic from their own witnesses at hearings that they set up.

If Republicans cared about meeting low growth and competing with China, they should be fighting to strengthen Department of Energy, restore vital Federal funding to enhance our Nation's grid, and ensure that our tax code encourages building out power generation. And if Republicans are serious about dealing with the challenges of the 21st century grid, they need to be prepared to discuss 21st century solutions and not just double down on trying to drag us back to a power grid from the 1920s.

As you can tell, Mr. Chairman, I am not too happy, but we will see what happens at the hearing. I think it is an important hearing. And I yield back the balance of my time.

[The prepared statement of Mr. Pallone follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Well, thank you. The gentleman yields back the balance of his time, and this concludes member opening statements.

The chair reminds members that, pursuant to committee rules, all members' opening statements will be made part of the record.

Again, the chair and the committee want to thank our witnesses for appearing before us today and taking that time to also testify -- not only just testify but also answer questions. Each witness will have the opportunity to give an opening statement followed by a round of questions from the members.

Our witnesses for today are Dr. Michael Goff, the acting under secretary of energy at the United States Department of Energy; Dr. David Morenoff, the acting general counsel at the Federal Energy Regulatory Commission; and Mr. Terry Turpin, the director of the Office of Energy Projects at the Federal Energy Regulatory Commission.

And, before we get started, just some quick housekeeping. If you want to pull those mikes up close to you and just press the button and you will see it goes on. There are three lights that will go there. It will be green for 4 minutes, yellow for 1 minute, and red is when that time has expired. So, again, we appreciate you all being here today.

And, Dr. Goff, you are recognized for 5 minutes to give your opening statement.

STATEMENTS OF MIKE GOFF, ACTING UNDERSECRETARY OF ENERGY, U.S. DEPARTMENT OF ENERGY; DAVID L. MORENOFF, ACTING GENERAL COUNSEL, FEDERAL ENERGY REGULATORY COMMISSION; AND TERRY TURPIN, DIRECTOR, OFFICE OF ENERGY PROJECTS, FEDERAL ENERGY REGULATORY COMMISSION

STATEMENT OF MIKE GOFF

Dr. Goff. Good morning and thank you, Chairman Latta and Ranking Member Castor and distinguished members of the Energy Subcommittee. It is an honor for me to testify before you today on the proposed legislation and represent the Department of Energy at this hearing. I was specifically asked to testify related to five different proposed acts.

First, on critical minerals. To maintain America's national security, it is imperative that we strengthen our energy security by promoting the production of domestic resources and by securing their supply chains. To that end, the draft legislation Securing America's Critical Mineral Supply Act mandates that the Secretary of Energy, in consultation with appropriate agencies and stakeholders, proactively conduct ongoing assessments of critical energy resource supply chains and our reliance on imports. Additionally, the bill mandates efforts to facilitate the development of strategies to strengthen critical energy resource supply chains in the United States.

Second, on refining. Petrochemicals play a critical role not only in America's energy supply but also in the manufacturing of hundreds of thousands of essential items we use in our everyday lives, including medical supplies, refrigerants, fertilizers, and clothing. Each one of our Nation's refining facilities is critical to ensuring affordable

energy and economic prosperity.

Currently, the United States is overly reliant on aging infrastructure, with the last significant new refinery built in 1976. The Researching Efficient Federal Improvement Acts for Necessary Energy Refining, or REFINER Act, mandates that the National Petroleum Council submit to the Secretary of Energy and to Congress a report containing an analysis of petrochemical refineries in the United States and their contributions to American energy security. A comprehensive analysis would provide valuable insight necessary to lowering costs for millions of American energy consumers.

Third, on LNG. America has been blessed by an abundance of natural resources. At the forefront of this is our supply of natural gas, which fueled America's energy independence under President Trump's first term. Under the leadership of President Trump and Secretary Wright, the Department of Energy has officially ended the freeze on LNG export permits, approving four export projects or project extensions since January. These total more than 9.5 billion cubic feet per day of LNG.

The Unlocking Domestic LNG Potential Act would provide the Federal Energy Regulatory Commission the authority to approve or deny an application for authorization for the siting, construction, expansion, or operation of a facility to export or import natural gas. The Department would like to work with the sponsor and the committee regarding the implementation of the bill's provisions.

Fourth, on supply chains. Our energy system is the backbone of our country, and our electrical grid is an essential component. Currently, we rely on other nations for many of our critical energy resources. Shoring up the materials and production of these resources is critical to the security of our energy system.

The Electric Supply Chain Act would mandate the Secretary of Energy to conduct regular assessments of the supply chain for the generation and transmission of electricity.

This report would provide opportunities for the Secretary to conduct a wholesale assessment of the Nation's electric system and to provide recommendations that reduce vulnerabilities.

Finally, on the National Coal Council. The National Coal Council, or NCC, was originally established in 1984 as a Federal advisory committee to the Secretary of Energy. The purpose was to provide private sector input on policies that would affect the coal industry as well as to provide scientific and strategic advice on coal production and use. The previous administration did not renew the charter for this committee in 2021.

The National Coal Council Reestablishment Act directs the Secretary of Energy to reestablish the council and allow coal experts to sit at the table on energy policymaking. The Secretary of Energy supports the goal of this legislation and is moving forward to implement it.

Finally, in conclusion, thank you for the opportunity to appear before the subcommittee today. I am eager to discuss ways we can work together to ensure American energy dominance and lower costs for the hardworking families of our country. I look forward to your questions. Thank you.

[The prepared statement of Dr. Goff follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Well, thank you for your testimony.

And, Mr. Morenoff, you are recognized for 5 minutes for your opening statement.

STATEMENT OF DAVID MORENOFF

Mr. Morenoff. Good morning, Chairman Latta, Ranking Member Castor, and members of the subcommittee. My name is David Morenoff. I appreciate the opportunity to appear before you today as a member of the staff of the Federal Energy Regulatory Commission.

I currently serve as the Commission's acting general counsel. I am honored to have served in senior roles in the Commission's Office of the General Counsel since 2010. The views I express today are my own and are not necessarily those of the Commission or of any individual commissioner.

The Commission's jurisdiction covers a range of vital energy-related responsibilities. For example, pursuant to the Federal Power Act and the Natural Gas Act, it is the Commission's responsibility to ensure that rates for the wholesale sale and transmission of electricity, as well as the transportation of natural gas by pipeline and interstate commerce, are just and reasonable. The Commission also is responsible for overseeing the reliability of the country's bulk power system.

In addition, the Commission is responsible for siting needed energy infrastructure, including natural gas pipelines and liquefied natural gas and hydroelectric facilities. Through these authorities, the Commission helps to ensure that our country has a reliable and affordable supply of energy. These statutory responsibilities align with the themes of the proposed legislation that is the subject of today's hearing.

My colleague, Terry Turpin, director of the Commission's Office of Energy Projects,

is addressing the subset of those bills related to infrastructure permitting. I am addressing the subset of those bills related to the reliability and affordability of electric power.

Driven in part by the demands of emerging large loads such as data centers, our country is experiencing rapid growth of electric load unlike anything seen in at least several decades. To not only meet that growth but also to do so in an affordable manner, it is important to both interconnect new-generation resources expeditiously and retain existing generation resources that are needed for reliability but considering retirement.

Commission Chairman Mark Christie, who President Trump designated as chairman in January of 2025, has emphasized those trends and related concerns throughout his tenure at the Commission. He began in January 2021.

The Commission is taking action on these pressing issues. For example, in January 2023 -- I am sorry -- in July 2023, the Commission unanimously approved Order No. 2023 which reformed the rules governing the interconnection of new generation resources. More recently, the Commission approved proposals from grid operators for several regions to expedite the interconnection for generation resources that are more likely to be constructed and that will meet a region's needs as well as proposals to account for how various types of generation resources contribute differently to a region's electric capacity.

The Commission also has announced the technical conference for June 4 and 5, 2025, to discuss the resource adequacy challenges facing several regions and constructs by which those regions address those challenges. Additionally, the Commission continues to protect the reliability of the bulk power system by fulfilling its statutory obligation to oversee development of and compliance with mandatory reliability

standards.

Several bills that are the subject of today's hearing address similar reliability challenges, ranging from the premature retirement of existing dispatchable generation resources without sufficient time to ensure that adequate replacement solutions are in place, frustratingly slow interconnection to new generation resources, to the potential for Federal agency actions that do not adequately account for reliability concerns. If Congress determines that such challenges warrant providing further direction and tools to the Commission, then the Commission stands ready to take on those additional responsibilities.

Thank you for the invitation to testify before the subcommittee today. I would be happy to answer any questions you may have.

[The prepared statement of Mr. Morenoff follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Well, thank you very much for your testimony.

Mr. Turpin, you are recognized for 5 minutes for your opening statement.

STATEMENT OF TERRY TURPIN

Mr. Turpin. Thank you. Good morning, Chairman Latta, Ranking Member Castor, and members of the subcommittee. With 14 bills and two panels, I will keep my opening remarks brief.

My name is Terry Turpin. I am director of the Office of Energy Projects at the Federal Energy Regulatory Commission. The office is responsible for taking a lead role in carrying out the Commission's duties and siting infrastructure projects, including those from nonfederal hydropower projects, interstate natural gas pipelines and storage facilities, and liquefied natural gas terminals.

Thank you for the opportunity to appear before you today to discuss current legislative efforts regarding infrastructure permitting as well as the Commission's processes and conducting environmental reviews required under the National Environmental Policy Act. The Commission's statutory responsibilities under the Federal Power Act and the Natural Gas Act align with the themes of the proposed legislation that is the subject of today's hearing.

My colleague, David Morenoff, acting general counsel at the Commission, is addressing those subsets related to reliability and affordability of electric power, and I am addressing those related to infrastructure permitting. As a member of the Commission staff, the views I express today are my own and not necessarily those of the Commission or any individual commissioner.

Under the Federal Power Act, nonfederal hydropower projects must be licensed

by the Commission if they are located on a navigable waterway, occupy Federal land, use surplus water or water power from a Federal dam, or are located on certain waters subject to the Commerce Clause. Under the Natural Gas Act, the Commission is responsible for siting interstate natural gas facilities under Section 7 and under Section 3 for the construction and operation of facilities used for the import or export of natural gas.

In both hydropower and natural gas proceedings, the Commission acts as the lead agency for the purposes of conducting -- of coordinating the Federal authorizations and for purposes of complying with the National Environmental Policy Act. This environmental review is carried out through a process that allows cooperation from numerous stakeholders, including Federal, State, local agencies, and the public.

The Commission's current approach has allowed for -- allows for a systemic and collaborative process and has resulted in substantial additions to the Nation's infrastructure. Over the last 10 years, the Commission has issued 175 hydropower licenses, authorizing approximately 11 gigawatts of generation capacity. We have also authorized over 8,100 miles of interstate natural gas pipeline, which totals more than 132 billion cubic feet per day of transportation capacity.

The Commission has issued orders authorizing -- issued 44 orders authorizing LNG facility constructions, expansions, modifications, and capacity uprates. In addition, we have issued 23 Section 3 authorizations specific to natural gas border-crossing facilities.

Commission staff remains committed to working with Congress and with all agencies to ensure the most effective processing of energy infrastructure matters before the Commission, and we would be happy to provide technical assistance as you move forward. Thanks, again, for inviting me today, and I would be happy to answer any questions you have.

[The prepared statement of Mr. Turpin follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Well, thank you very much for your testimony. And that will conclude our witness' statements, and we will now proceed to the member statements or questions to our witnesses. And, again, thank you very much for appearing before us today.

You know, one of the first questions I have been asking for the last several years here on this subcommittee is a very simple one: Do we have to have more power or less power being produced in this country? And just a simple more or less. If I could just go right down starting with Mr. Goff, if you would like to start.

Dr. Goff. Clearly, we need significantly more.

Mr. Morenoff. Mr. Chairman, I agree. We need new generation resources at present.

Mr. Turpin. Same. More.

Mr. Latta. Okay. Well, thank you very much. You know, we had a few weeks back the RTOs and the ISOs here before us, and they said the same thing. And the other question that they also brought up and said was that we can't be taking off -- generation offline.

And I know that you mentioned, Mr. Morenoff, in your statement about retaining existing generation resources. And what happens if you don't do that? What happens if we start -- you know, if we continue on the course that we have had, taking off the generation we currently have and not replacing it?

Mr. Morenoff. Thank you, Mr. Chairman. As Commission Chairman Christie has stated repeatedly for several years, including before -- in testimony before this subcommittee, there is a pressing need to both be interconnecting new generation resources and to be retire -- preventing the retirement of generation that is needed for reliability, and I think he has rightly pointed out that there could be real reliability

concerns if we don't hit both sides of that dynamic.

Mr. Latta. And, also, you mentioned in your testimony -- and I believe also, Mr. Goff, you did, too -- when you were talking about, you know, our baseload needs going up, and a huge part of this is because of the data centers coming online.

But, you know, you also said, Mr. Morenoff -- if I could continue real quick on -- you know, we have to interconnect new generation expeditiously. How would you define expeditiously?

Mr. Morenoff. I think expeditiously would be as quickly as we can do so while ensuring we are maintaining the reliability of the system.

Mr. Latta. And, Mr. Goff, if I could just go to you quickly. Again, certain things we have to have. You said on the critical minerals side. Are we doing our part in this country to get the critical minerals here instead of relying on countries like Communist China who not only have certain critical minerals but are also refining those critical minerals?

Dr. Goff. No. We do need to increase our capabilities in that area to be able to meet a number of demands across a variety of sectors.

Mr. Latta. When you were talking about -- on the refining side, you mentioned that we have -- you know, we have an aging infrastructure which is really -- it is true because when you look at what you mentioned in your testimony that we have not, you know, constructed a new refinery in this country since 1976.

You know, you also brought out that, of the hundreds of thousands of different products that petrochemicals are needed for, what would happen if our refining capability keeps decreasing? And you mentioned that since we have had 600,000 barrels per day less being produced since 2020.

Dr. Goff. On the bill that was put forward, we think that is an important thing to

be able to identify what those vulnerabilities would be. So get that feedback, that data, and identify what those critical vulnerabilities are and make sure that we can take action to make sure that we do have the supplies and the capabilities we need for the country.

Mr. Latta. And, you know, that is one of the reasons I am going to be reintroducing -- and we have the REFINER Act because, again, we have got to be getting this done. And so it is very, very important that we don't -- because, as you mentioned, you know, we are losing the refining capacity going down. We can't have that happen.

And I would also like to mention that, you know, when you look at the Electric Supply Chain Act -- which I also am looking at reintroducing or introducing -- it would ensure the Department remains in a proactive posture to identify and address emerging issues as they impact the supply chain. I would like to submit, without objection, a letter from GE Vernova, a leading company in the production of power sector equipment, take new turbine orders for 2028, a 3-year timeline that aligns with historical norms. Without objection, we will include that in the record.

But, you know, we are looking at a lot of different issues out there that we are having a real -- we are all concerned about. And one of the things that we have also been talking about is -- you know, when we are looking at the generation needs that we have to have -- is making sure that you know, we are retaining that.

You mentioned, Mr. Morenoff, how important that is because, as we have seen the numbers on the AI and the data centers looking at 4.5 to 6 to 8 percent more this year and it just keeps going up -- that we are going to have a great need out there.

And my time has expired, and I will submit my other questions for the record to our witnesses.

So, at this time, I would recognize the gentlelady from Florida, the ranking member of the subcommittee, for 5 minutes for questions.

Ms. Castor. Thank you, Mr. Chairman.

Thank you to the witnesses for being here today.

Mr. Morenoff, you mentioned in your testimony -- you talked about the implementation of Order 2023. In her concurrence to that order, Commissioner Clements expressed support for more deeply exploring the range of options available to use automation to facilitate more efficient interconnection. More recently, Commissioner Rosner wrote a letter to the ISOs and RTOs highlighting recent successful initial deployment. My Expediting Generator Interconnection Procedures Act would help FERC take those next steps.

Can you speak broadly to what FERC is seeing in Order 2023 compliance filings and what opportunities could exist for grid operators to use automation and AI technologies in interconnection?

Mr. Morenoff. Thank you very much, Ranking Member Castor, for the question. We are both very optimistic about the impact that Order No. 2023, including our processing of compliance filings, will have with respect to the expeditious interconnection of generation, and we very much agree that there is great potential for steps beyond what the Commission has required in Order 2023.

As to the former, the Commission, to date, has processed over 80 percent of the initial round of compliance filings that were submitted in response to Order No. 2023 within the first year of the middle of those filings, and as that compliance is a vital step to transmission projects across the country, beginning their implementation of those vital reforms -- we think we will see substantial progress there.

As you noted also, in both Commissioner Clements' concurrence and, more recently, Commissioner Rosner's statement, things like additional automation have great potential to further expedite those -- the same goals, and I think that that is something

we are very excited to see and that transmission providers are looking at themselves as well in addition to what nudges may come from FERC or could come from this committee.

Ms. Castor. Expediting energy sources that we are going to need?

Mr. Morenoff. Correct.

Ms. Castor. Yes.

Dr. Goff, you recently took on the new role as acting under secretary of energy which oversees the Offices of Clean Energy Demonstration, Grid Deployment, Manufacturing and Energy Supply Chains, State and Community Energy Programs, and Loan Programs. That is a large portfolio. But I am very concerned with the layoffs. The reports are you have lost half of the personnel there.

How is that going to impact the ability to distribute congressionally directed funds for projects such as hydrogen hubs, carbon capture, battery manufacturing, all of those important partnerships with the private sector?

Dr. Goff. I guess the key thing I wanted to state about that is the Department does remain committed to making sure that we do carry out our critical missions of strengthening Americans' energy dominance and safeguarding our nuclear security activities as well. So we are working through those various reorganization-type activities, but we are committed to making sure we still deliver on those key missions going forward here.

Ms. Castor. So how is that really impacting? Do you have a list of how many projects have been frozen or canceled?

Dr. Goff. Right now, the Department is performing a department-wide review of all the different activities and looking for and doing an assessment of them and making sure that the activities are, you know, following the law, comply with applicable court orders, and align with administration priorities. That is an ongoing activity; so I don't

have a list of all those activities.

Ms. Castor. I am certainly following those court orders, too, that direct you to follow the law and constitutional precepts.

Dr. Goff. Yes.

Ms. Castor. When it comes to critical minerals right now, who is in the lead? The former administration had an interagency critical minerals work group. On the China Select Committee, we have done some bipartisan work there, but we are kind of at a loss now on who the point person is on strategy when it comes to critical minerals. Who can you point us to?

Dr. Goff. It is actually now, I think, still divided between -- the Department of Energy and Department of Interior have different roles on identifying critical materials versus critical minerals. We are, though, working together, and I think we are looking at doing an update this year in 2025 on that critical minerals materials list. So it is still going on and coordinated between the two different agencies.

Ms. Castor. Is that in your shop, or is there an assistant -- another secretary?

Dr. Goff. It is in the manufacturing and -- yes, it is in MESC, one of our areas within the infrastructure area of the under secretary.

Ms. Castor. Have you met with other agency partners on this topic recently?

Dr. Goff. I have not recently, but I will note I have been in the position right now for 3 days.

Ms. Castor. Okay. Will you follow up on that?

Dr. Goff. Yes.

Ms. Castor. And, Mr. Chairman, there is a lot of good bipartisan work. Congressman Wittman and I have taken a deep dive on some of that, and I wonder if we can work together as we develop the legislation out of this committee to help move some

of those ideas forward.

Mr. Latta. Well, and this committee has always had a number one -- and we were talking about bipartisanship and new bills through. So we are always willing to sit down and get to work.

Ms. Castor. Okay. Terrific. Thank you. I yield back.

Mr. Latta. Thank you. Thank you.

At this time, the chair will recognize the gentleman from Ohio's -- let's see. I don't think Mr. Allen is here.

So Mr. Balderson of Ohio's 12th District for 5 minutes for questions.

Mr. Balderson. Thank you, Mr. Chairman.

Thank you all for being here today.

I am going to start with Mr. Morenoff. Good morning, sir. Based on our committee work, I believe FERC should be empowered to bring its reliability perspective when necessary to Federal rulemakings that would have significant and negative impacts on reliability.

Congress established that NERC, the electrical reliability organization, should provide FERC with authoritative views on grid adequacy and reliability. In the Reliable Power Act, NERC reliability assessments provide the basis for FERC review of other agency rulemaking. In addition to NERC, the transmission organizers, including the RTOs and ISOs, have engineered a modeling capability that could inform understanding of resource and reliability risk.

If Congress provides FERC additional authority over other agency rulemakings, would FERC's review and advice benefit from consolidation with transmission organizations, the grid operators, to identify potential reliability risks in Federal rulemakings?

Mr. Morenoff. Congressman, thank you very much for that question. The answer is yes. I think that if Congress were to grant FERC that additional authority, of course FERC would stand ready to implement that. At present, FERC does not have, I think, the depth or extent of computing resources to do the extent of analysis that might be required as to some of those other agencies' actions that might be subject, and I think our being able to lean towards either NERC or towards transmission providers could be very beneficial.

Mr. Balderson. Thank you. I will stay with you, Mr. Morenoff. I would like to follow up on a conversation I had with PJM during an Energy Subcommittee hearing earlier this year.

Unlike traditional thermal generation, renewable resources do not provide certainly essential reliability services that are necessary to balance and maintain the power grid. Do you have concerns with the lack of dispatchable power generation entering operators' interconnection queues, and are there enough of these projects to offset premature retirements and meet the rising demand growth?

Mr. Morenoff. Thank you, Congressman. I think that is an "and" that it is crucial to be getting as much generation resources of a variety of types as we can interconnected expeditiously. We also recognize that different regions are facing different challenges, and the Commission is currently reviewing filings, including recently acting on a filing from PJM, to address the specific needs and the proposed solutions that PJM brought to the Commission to ensure that they have the resources they need.

Mr. Balderson. Okay. Thank you. Earlier this year, sir, FERC improved PJM's Reliability Resource Initiative, or RRI. This initiative will provide an influx of reliable generation needed to help meet demand growth. Last month, PJM announced they had already attracted 94 applications, totaling 26.6 gigawatts of nameplate capacity for the

RRI. Can you discuss FERC's decision to approve PJM's RRI?

Mr. Morenoff. Congressman, thank you. Yes, I think that the Commission's action on PJM's RRI filing is a good illustration of how the Commission is both taking actions on a generic basis, such as through Order No. 2023, while also recognizing that each region may have its own challenges, and we were pleased that PJM brought a filing to us and that we were able to approve that filing consistent with our governing statutory standards.

Mr. Balderson. All right. Thank you.

Mr. Goff, I do have a couple more minutes left; so I will switch over to you. Thank you for being here and the work that you and Secretary Wright and the Department of Energy are doing to unleash the American energy dominance.

In your testimony, you discuss the work you are doing to strengthen the American supply chain, increase the production of domestic resources, and approve permits for energy projects. As you are working to expand our energy systems, do you think it makes sense that we are also focusing on the reliability of the electric grid to ensure constituents have access to affordable, reliable, and secure energy to keep the lights on?

Dr. Goff. Yes. It is critical that we maintain the grid to be able to get that power to the different -- you know, to the communities, to the people, to the businesses as well. And a lot of those businesses, especially as we talk more and more about AI, are requiring it to be very firm, reliable power, you know, delivered 24/7.

Mr. Balderson. All right. Thank you very much.

Mr. Chairman, I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

The chair now recognizes the gentleman from California's 50th District for 5 minutes for questions.

Mr. Peters. Thank you, Mr. Chairman.

Mr. Morenoff, I think you said something about the amount of power that is in line to be constructed. Was that in your testimony?

Mr. Morenoff. Thank you, Congressman. I did not cite to a specific number, but we do have very large currently interconnection queues in regions throughout the country.

Mr. Peters. Do you have a sense of the quantity of that?

Mr. Morenoff. I am sorry?

Mr. Peters. Do you have a general sense of the quantity of it?

Mr. Morenoff. Oh, I do not offhand. It is a very large number, I think roughly equivalent to the amount of power that is already used in the country.

Mr. Peters. Right. And this is power that wants to be built and interconnected, right?

Mr. Morenoff. That is correct.

Mr. Peters. Do you know what portion of that is oil and gas and what portion is sort of non-emitting?

Mr. Morenoff. Currently, the interconnection queues are overwhelmingly intermittent resources, whether that is predominantly but not exclusively wind and solar.

Mr. Peters. My understanding is it is close to 90 percent. I don't know if you know that is right or not.

Mr. Morenoff. I do not that know for sure, but I think that is at least correct as an order of magnitude.

Mr. Peters. Right. And so I would just raise two issues for that. One is that there is a lot of talk in this building about cancelling some of the text incentives that make those deals possible. And I just want to say, if we are all on board with the notion we

need a lot more power, it seems to me that would be an extremely unwise thing to do because the testimony we hear from the industry is that that would kill all those deals and set us back.

The other thing I would suggest is there is an idea on these pages that we would have oil and gas jump the line over other forms of energy. One of the things we learned at the recent energy conference that some of my colleagues and I attended is that it takes about 5 years to do a gas project now, where solar and wind can be available in about a year. So, if we are really talking about meeting the demand, maybe jumping the line for something that is not ready isn't the smartest thing.

But the other thing I would say, too, is one of the big problems with interconnection is that there is nothing to connect to. I have often said that the energy grid is too small, too old, and too dumb.

And what I am frustrated with here a little bit, Mr. Chairman -- and this was happening in the last Congress -- we didn't really take on the problem of the capacity of transmission in a bipartisan way. And I am hopeful that with a new chair and a new Congress and, actually, I think, appointments by the President in this field that are folks we can work with -- that we do that because -- you can decide what order people can connect to, but if there is nothing to connect to, there is not going to be any connections. We have to build out the grid.

And maybe, Mr. Morenoff, you can speak to some of the benefits of the unanimous Order 1920-A, which is a forward-looking planning process for reliability and affordability around the grid.

Mr. Morenoff. Congressman, thank you for that question. The Commission agrees that it has been crucial to take steps not only with respect to reforming the interconnection rules but also to be looking in a proactive manner with respect to

improvements to the transmission grid.

In that respect, last November, the Commission, as you noted, unanimously approved Order No. 1920-A which largely reaffirmed the Commission's prior rule from earlier last year, Order No. 1920, addressing a variety of reforms as to long-term transmission planning and, in Order 1920-A, had particular emphasis on the role that States need to play in that process, recognizing how important it is to having States supportive of planning as well as cost allocation in transmission --

Mr. Peters. And not just within regions, right? Also among regions because there are benefits for reliability and affordability. Isn't that right?

Mr. Morenoff. Yes. That is right. It is also very important to look for the interconnection as between regions, and we are currently reviewing a congressionally directed report from NERC going to the transfer capability between regions.

Mr. Peters. Right. I called to the committee's attention last year when there was a bipartisan agreement led by Senators Manchin and Barrasso called the Energy Permitting Reform Act -- Mr. Chair, that we should be starting with that, I think. We are not even talking about it. It included a couple of my ideas: The BIG WIRES Act, which would provide for interregional transmission, and the SPEED and Reliability Act, which would provide streamlining for large transmission lines that demonstrably improve grid reliability and reduce congestion. We are not even talking about that here. And, to me, I think it is a missed opportunity.

So there is a lot of -- there is only one Democratic bill. I think there are some study bills that I could be willing to get on. But we have got to broaden this net a little bit if we are going to get a deal on permitting reform and on transmission and on generation because all those things go together, and that is the point I have been trying to make for a long time. I think that is what we heard from the industry at a recent

conference, and I just want you to know that that is where I am at and hoping we can do more in the next hearing.

And I yield back.

Mr. Latta. Thank you very much. The gentleman's time has expired and yields back.

The chair now recognizes the gentlelady from Tennessee's First District for 5 minutes for questions.

Mrs. Harshbarger. Thank you, Mr. Chairman.

Thank you to the panel here today.

And I will start with Dr. Goff. At a recent hearing with the regional grid operators, we heard about the impacts that power plant retirements are having on their bulk power system, and these concerns were shared by NERC who identified upwards of 115 gigawatts of power could leave the system over the next decade.

You know, a lot of these plants are retiring prematurely and are assets that should have several years, if not decades full of useful life. In the midst of the global AI arm's race with China and efforts to reshore domestic manufacturing capacity, we shouldn't be leaving these stranded assets just sitting idly by.

Can you talk about what the Department of Energy is doing to ensure that the U.S. maintains a leadership position in AI development?

Dr. Goff. As Secretary Wright has noted, he does really believe we need to be focusing on energy addition, not subtraction, and take advantage of the innovation capabilities of the Department of Energy to enable us to be able to deploy advanced energy technologies here in the very near term.

As you note, with AI, you know, the projection right now is we may double or triple the AI energy uses between now and 2028, which can get us up to around 12

percent energy needs for AI. So, yes, we do recognize that it is critical. From a national security perspective, we have to keep the AI activities on shore and be able to provide the energy for them. So we are looking at all type of energy sources to make sure how do we keep those assets going.

I will note my background -- I have worked primarily in the nuclear space and am duel-hatted right now in the nuclear energy role. We have done a significant effort to make sure that we do keep the existing nuclear power plants continuing to operate. You know, it was -- 10 years ago, we were forced with a lot of early premature closures of nuclear power plants. We have now been able to turn that around where we are not only talking about -- not closures, but actually talking about restarts of power plants.

So that is why, yeah, we are working through our Loan Programs Office to help restart on the Palisades Nuclear Power Plant in Michigan and also looking at restarting the Three Mile Island reactor as well. So we are trying to take proactive steps to make sure that we can make additions of energy and to make sure that we do have the energy needed in the United States to on-shore the AI technology and all the advanced manufacturing and other activities that are coming on as we continue to electrify more and more --

Mrs. Harshbarger. Well, we see the need increasing, not decreasing at all. And I am from Tennessee. Of course, you have TVA, and we look at nuclear with small modular reactors and how that asset -- that is going to be a huge asset to help with our energy needs. And, if they want clean energy, it is going to be hydro and nuclear. And that is not just my opinion. You can ask anyone about that.

And, you know, in your testimony, you talked about the electrical grid and the vulnerabilities that we have. And I understand that, you know, and I have talked to many people. And I remember reading the first articles with the EMP Commission and

things of that nature.

What can we do to put that in check and make sure that those -- you know, I go to TVA dams and I look at your safety protocols, and it is interesting. I was just there. And we had Hurricane Helene in my area, and it devastated a lot of east Tennessee, but those dams held because their safety protocols were so up to speed. But talk to me about the vulnerabilities with the grid system.

Dr. Goff. Yeah. We do need to make sure that we do have a very reliable grid. We have done a lot of lessons learned from my colleagues at FERC and the Department of Energy looking at how do we learn from those various events that have occurred, and how do we apply those going forward? You know, how do we get more dispatchable electricity onto the grid to ensure that reliability is there, and how do we operate more as we are having more and more penetration of renewables as well?

Mrs. Harshbarger. Yeah.

Dr. Goff. So there have been extensive studies, but a lot of that is still focused on we need more capacity added to the grid as well and additional transmission and all as well to make sure that we can manage that.

RPTR KRAMER

EDTR ZAMORA

[11:14 a.m.]

Mrs. Harshbarger. Absolutely. Thank you, sir.

Mr. Morenoff, I would like to follow up with you on power plants that are retiring prematurely. And over the past year, we have seen a number of closed power plants seeking to reopen to meet the historic projected demands. Your testimony discusses the need to retain existing generations as well as the need to interconnect new sources of generation. Given the timeframe of projected demands from critical industries such as AI and manufacturing, how important is it to retain as much dispatchable energy generation as we can and stop the bleeding of premature retirements?

Mr. Morenoff. Thank you very much, Congresswoman. I agree it is very important for us to be careful in considering what existing generation that may retire is needed for reliability and to take steps to prevent those retirements.

Mrs. Harshbarger. Okay. Thank you, sir.

And my time is up, so I yield back.

Mr. Latta. The gentlelady's time has expired.

And the chair now recognizes the gentleman from New Jersey's 8th District for 5 minutes for questions.

Mr. Menendez. Thank you, Chairman.

This is our fourth hearing on meeting energy demands. And a recurring theme we discussed today and at previous hearings and with our industry experts later this morning, is providing certainty for the energy industry.

Dr. Goff, just yes or no, from your perspective at the Department of Energy, is providing certainty for the energy industry important for planning and investment

purposes?

Dr. Goff. Yes. I mean, there is critical -- as companies are looking to try to come up with investment scenarios, knowing -- you know, knowing how long things are going to take from a regulatory perspective and all as well, having that uncertainty is very important.

Mr. Menendez. These are capital-intensive projects that take a long time to fully bring online and see the return on these investments. Is that correct?

Dr. Goff. Some of -- yes.

Mr. Menendez. Thank you. Yeah. I think Chairman Guthrie mentioned 30 years in his opening statements. So predictability certainty is important. Would anybody disagree with that? Yeah.

Again, Dr. Goff, does certainty for industry support our ability to plan for meeting future energy needs and demands?

Does certainty for industry support our ability to plan for meeting future energy needs and demands?

Dr. Goff. Does --

Mr. Menendez. Certainty.

Dr. Goff. Certainty. I mean, knowing some -- having some level of certainty on what your investment plan is and what your return is is very important.

Mr. Menendez. Yeah. And Federal programs that enable generator energy providers to do so is helpful.

Again, yes or no, would you agree that consistent policies and priorities at the Federal level help for planning purposes?

Dr. Goff. In general, yes. Assuming they are good, consistent policies, yes, they are.

Mr. Menendez. I agree. And I agree it is important for the energy industry to have consistency and reliability at the Federal level for long-term planning purposes. Unfortunately, that is the exact opposite of what we have seen from this administration.

Since he took office, President Trump has done nothing but serve chaos for the energy sector. In New Jersey, he has halted offshore wind projects, and he has halted other clean energy projects across the country. And not only are Republicans sitting here and letting it happen, they have made it clear they plan on unwinding the Inflation Reduction Act, our biggest investment, clean energy, and any tools we need to meet increasing demand as quickly as possible.

It has been made clear by witnesses, even several of our Republican witnesses, that the Inflation Reduction Act is essential to our future energy reliability.

Mr. Morenoff, your testimony states that we need to interconnect new generation services to meet growth. That includes renewables such as solar, wind, and batteries. Is that correct?

Mr. Morenoff. Yes, it is, Congressman.

Mr. Menendez. Thank you. And our only realistic source of energy growth is solar, wind, and batteries, which is being blatantly ignored by the Trump administration. And we have heard that Trump's pausing of Federal permits for renewable projects and imposing tariffs on grid components will hurt our long-term interests. Again, this goes back to the consistency and reliability.

The previous administration was focused on clean, renewable energy sources. That focus should continue to promote because they are additional sources of capacity. Does anybody disagree with that? All right.

Most of the bills we are discussing here today are on the exact same thing. They shift focus away from long-term reliability and prioritize gas projects despite the

unreliability in extreme weather events and in complete disregard of State laws that seek to prioritize clean energy products.

Again to you, when I go back home, our constituents are looking for clean, renewable sources of energy because they have to live with the harm of previous sources of energy. All the while, we already have the means to meet growing energy needs through clean, renewable sources. And we should be encouraging grid operators to clear the interconnection backlog which primarily consists of clean energy projects and building on IRA investments. This back and forth between administrations will only hurt us in the long run.

Quickly, does anyone disagree that this change between administrations is harmful to long-term planning of our energy production?

Dr. Goff. I think it is critical that we look at the conditions that we are in right now. We are, right now, facing a time of very high growth in electricity, which we really didn't have 5 years ago. This is a change in dynamics right now. We do need more electricity now than we thought we did 5 years ago.

Mr. Menendez. And so we need energy from all different sources. Is that correct?

Dr. Goff. I agree. We do need all sources of electricity, but that does include some of the dispatchable systems that we have online now.

Mr. Menendez. So if I grant you that, would you say it is ill-advised to unwind some of the progress that we have made on clean, renewable energy under the Inflation Reduction Act?

Dr. Goff. I think, again, we need to make sure that we have all type of energy sources out there in making additions.

Mr. Menendez. Including clean and renewable energy. And we should utilize

existing legislation that encourages the development of clean, renewable energy.

Dr. Goff. That encourages the development of all types energy sources.

Mr. Menendez. Including clean and renewable energy. Yes or no?

Dr. Goff. All type energy sources. That would be a type in there as well.

Mr. Menendez. I will take that as a yes, sir, because I have to yield back.

Mrs. Miller-Meeks. [Presiding] The gentleman's time has expired.

The chair now recognizes Representative Allen for 5 minutes for any questions he may have.

Mr. Allen. Thank you, Chairlady. And I want to thank Chair Latta for holding this important legislative hearing.

I want to thank the witnesses for your testimony, your expert testimony, in this first panel.

I mean, we just finished the conversation. Energy security is national security, and it is critical that we look to enact meaningful policies that will ensure our grid's reliability. And a big part of ensuring grid reliability is making sure we have the energy needed to meet our growing demand. Building up energy infrastructure is critical, and something I would like to focus on is building our pipeline capacity.

Natural gas pipelines are key to providing reliable base load power. We need to address permitting for natural gas pipelines.

Mr. Turpin, from a reliabilities perspective, is it concerning that only one interstate pipeline was completed in 2024?

Mr. Turpin. I think from the liability perspective, it is concerning when there is only one source of energy path on any infrastructure.

Mr. Allen. Are Clean Water Act Section 401 permits a significant challenge to pipeline development in certain regions of our country?

Mr. Turpin. I think, historically, we haven't seen much problem with the 401s. I think there have been, in the last, probably, 5 to 7 years, a few States that have used them or just haven't issued them or denied them on certain pipeline projects. But nationally, I haven't seen it as a larger trend.

Mr. Allen. And the reason I bring this up is that in talking about base load, converting our power plants to natural gas burns 42 percent cleaner. I mean, it is the largest reason we have reduced our carbon footprint by, I don't know, 1,400 tons in the last 10 years. Nearest nation to us is Japan at 200 tons. So we are doing our part.

But, again, we -- you know, right now, if I had three pipelines out of Pennsylvania to the coast of Louisiana, we could power the entire Continent of Europe and probably end the war in Ukraine and Russia, just based on the fact that we could power that entire continent. Forty-two percent cleaner than they are currently burning the heavy crude over there.

So thank you, all of you, for your expertise. And with that, Mr. Chairman, I yield back -- Ms. Chairman.

Mrs. Miller-Meeks. The gentleman yields.

The chair now recognizes Representative McClellan for 5 minutes for any questions she may have.

Ms. McClellan. Thank you, Madam Chair. And I want to thank Chairman Latta and Ranking Member Castor for planning this very important hearing.

As you heard, I am from Virginia. We are both the data center capital of the world and the clean energy capital of the South. And I am very proud of both, particularly since I led the fight to make us the clean energy capital of the South. And I know firsthand how important it is for us to meet our exploding energy needs and that clean energy is going to be critically important to that.

I also want to thank Ranking Member Castor for her leadership on the Expediting Generator Interconnection Procedures Act, which would take meaningful steps to modernize the way grid operators handle interconnection requests.

In Virginia, we have almost 30 gigawatts of solar and 5 gigawatts of wind stuck in the interconnection queue. And if we could get that capacity online faster, we would be in a much better position to meet our growing demand in a way that is affordable, reliable, and sustainable.

In 2024, U.S. developers added nearly 9 gigawatts of battery storage capacity, which they plan to double this year, with over 18 gigawatts of new storage expected. But President Trump's liberation day tariffs have thrown those plans into uncertainty.

His new policy includes a nearly 65 percent tariff on lithium-ion batteries from China, which are needed for grid scale energy storage projects. And at the same time, he is attempting to roll back investments in domestic battery manufacturing which were made through the Inflation Reduction Act.

So, Dr. Goff, I would like to start with, what impact will these new tariffs have on utility costs and, ultimately, the energy bills that struggling American families pay?

Dr. Goff. I will note one of the items that -- one of the bills that are being considered today is a supply chain activity. So one of those activities would really focus on addressing -- looking at the supply chain and looking at the vulnerabilities associated with that, which that would include any impacts of tariffs and all as well. So that would be critical to be able to do that, to be able to look at those analysis to know what the impacts are because, like I said, the Department is really committed to trying to move forward and making sure that we do have secure, reliable, and affordable energy for the American people.

Ms. McClellan. And in your opinion, how are tariffs, combined with canceled

investments, going to impact our national competitiveness?

Dr. Goff. Again, we are focused on trying to make sure that we can make energy addition. So we will have to be assessing how the tariffs will -- how tariffs will impact. But again, we are committed to trying to make sure that we can move forward and make sure we have, again, secure, affordable, reliable electricity for the American people.

Ms. McClellan. But would you agree that if there is a tariff on components that are critically important for clean energy -- battery storage -- and we are removing investments in domestically produced clean energy, that is going to be a challenge in using clean energy to meet our growing energy demand? Would you agree with that?

Dr. Goff. Again, would have to assess how those individual tariffs would be applied to those items, whether there is exemptions, whether there is carve-outs.

You know, I know on some of the tariffs that were imposed, say, within the nuclear space, some of them did not include uranium and all as well. So it would depend on how those items are applied.

Ms. McClellan. But right now, are lithium-ion batteries included?

Dr. Goff. I am sorry, I am not a tariff, you know, expert right now.

Ms. McClellan. Okay. Currently, it can take up to 5 years for regional grid operators to approve interconnection requests for new power plants, according to Lawrence Berkeley National Laboratory. So, Mr. Morenoff, do you think that kind of delay is acceptable, and how can we bring resources online as quickly as possible?

Mr. Morenoff. Thank you, Congresswoman.

No, it is not. I think that given the exceptional growth we are seeing in demand particularly, we need to be interconnecting new generation much more quickly. I think that some of the steps FERC has taken already will help to ease those burdens and move that more quickly. And I think that there are more steps to come, including the

potential for further technological deployments.

Ms. McClellan. And you would agree that one of the ways to meet those demands more quickly is if we could get clean energy projects like wind and solar that are already in the pipeline going and online?

Mr. Morenoff. I agree. I think that being able to move expeditiously through the existing interconnection queues is part of that solution.

Ms. McClellan. And would you agree that it would be much faster to get those clean energy projects that are already in progress online, it is going to be much quicker than trying to get a brand-new natural gas power plant online?

Mr. Morenoff. I think, in general, that is correct. I think that one of the challenges some of the queues have faced is the individual challenges faced by particular generators, and that may be true regardless of the resource type.

Ms. McClellan. Okay. Thank you.

And this one I am not going to have time to get an answer, so I will just ask on the record. Last year, the Department of Energy created a transmission interconnection roadmap outlining solutions to speed up the interconnection of energy onto the grid, but since January, that web link has been pulled down and I am not sure if it is up. When I checked last this morning, it wasn't up.

Dr. Goff, do you know whether these resources will be put back up?

Dr. Goff. I do not know but can look into it.

Ms. McClellan. Thank you. Because I think it is going to be kind of hard to do what we need to do if we are silencing information and research.

And with that, I yield back.

Mrs. Miller-Meeks. The gentlewoman's time has expired, and she yields back.

The chair now recognizes herself for 5 minutes for any questions she may have.

I would like to thank the chairman of the subcommittee, Chairman Latta, and also Ranking Member Castor for holding this important hearing on ensuring abundant, reliable, American energy to power innovation.

The massive power outage that paralyzed Spain and Portugal on Monday underscores the critical importance of our work today. This incident which affected millions of people, disrupted transportation systems, healthcare services and businesses, demonstrates the vulnerability of even sophisticated electrical grids and is a stark reminder of what is at stake when we discuss grid reliability.

Like our last member who spoke, I agree that projects that have already started should be allowed to continue, such as the canceling the Keystone pipeline 4 years ago, which caused the loss of 11,000 American jobs and energy to our refiners here in the United States.

The last administration was all about energy subtraction, as we know, from the Power Plant 2.0 rule, from increasing the mandate for electric vehicles, even though we didn't have the electricity to power them. And we saw that play out in California.

We are facing unprecedented growth in electricity demand, and this administration is all about energy addition and homegrown energy addition. And it is driven largely, as we have said, by AI data centers and advanced manufacturing. We must ensure that our policies support a diverse and resilient portfolio that maintains reliability while fostering innovation.

In my district, we have seen firsthand the benefits of an any-of-the-above energy approach. Wind energy powers generates 59 percent of our electricity, significantly reducing our dependence on coal, while maintaining some of the lowest electricity rates in the Nation. However, this success has been achieved by complementing all of our renewable sources, our carbon-based fuels, our liquid fuels, with flexible natural gas

generation and our historic hydroelectric facilities that power essential reliability services.

The loss of our only nuclear plant at Duane Arnold and 20 -- was a 22 percent -- and a 22 percent decrease in the share of coal in the last 5 years highlights a concerning trend nationwide. We are retiring dispatchable base load generation even as demand accelerates. NERC's recent assessment found that over the next decade, 115 gigawatts of dispatchable generation is scheduled for retirement while demand may increase up to 151 gigawatts.

As we confront these challenges, we must ensure our policies ensure and enable adequate supply and distribution of all energy resources that provide abundant power -- carbon-based fuels such as natural gas, coal, hydroelectric, wind, solar, biofuels, biomass, compressed renewable and natural gas, most of which we actually have in Iowa -- while continuing to promote the innovation that has made American energy the most sophisticated and efficient in the world. And most importantly, we have to pass thoughtful legislation that prioritizes affordability, abundance, reliability, and security.

Mr. Goff, the Securing America's Critical Minerals Supply Act builds on DOE's current efforts. Could you elaborate on the landscape of critical minerals for the committee, which resources are most critical to energy supply and who supplies them, and what actions the DEO is taking to secure these supply chains?

Dr. Goff. Well, first, I think the present bill looking at the supply chain for critical minerals is a good step. It is doing an assessment, looking at vulnerabilities and looking at how we need to move forward.

We do have -- like I said, working with the Department of Interior, we are looking this year at doing an update on the critical minerals and critical materials list, which, again, identifies which items we should be focusing on. So like I said, we hope to be updating that this year, which, again, will identify additional focus. Because, yeah, a

large fraction of these we do not produce domestically and need to look at how can we onshore that or ensure that we have reliable allies providing those type of materials.

Mrs. Miller-Meeks. The loss of nuclear plants like Duane Arnold in my district represents a significant challenge from maintaining carbon-free base load generation. What is DEO's assessment of the potential for restarting recently closed nuclear facilities, and what supply chain factors might affect these efforts?

Dr. Goff. We are very excited about the potential restarts. We are excited in looking at Palisades in Michigan moving forward on a restart and have moved forward with the Loan Program Office loan going to that plant for its restart. Similarly, we are excited about the Three Mile Island restart with Constellation and moving forward on that. Here, rumbling still with Duane Arnold and look about some potential, but, yeah, we look forward to seeing what kind of options they are.

As far as supply chain, we -- the supply chain is not a major issue in that. It is mainly just making sure that we have maintenance updated and the fuel set up for those material -- for that plan as well. So, yeah, we are very excited about those options to get that firm power back online.

Mrs. Miller-Meeks. Thank you. My time has expired. I will submit some questions for the record.

The chair now recognizes the ranking member of the full committee, Representative Pallone, for 5 minutes for any questions he may have.

Mr. Pallone. Thank you, Madam Chair.

I am going to start with Mr. Goff. Yesterday, the White House called Amazon's plan to display the impact of Trump's tariffs on prices a, quote, hostile and political act.

Mr. Goff, if a gas station in the Midwest or the Northeast decided to display the price impact of Trump's tariffs on gasoline, would you consider that a hostile and political

act?

Dr. Goff. If they displayed the impacts, I -- that is not my area of expertise to decide what a hostile act would be considered.

Mr. Pallone. All right. Well, I think it is clear because we see a lot of this going on now. It is clear that Trump and Republicans are scared of Americans understanding the impact of their disastrous policies and they are trying to hide the impact that the tariffs are having on American families from, you know, Home -- whether it is Home Depot, Amazon, or the local gas station.

But turning to some of the bills before us today. Let me go to Mr. Turpin. I would like to discuss the draft bill on natural gas pipeline permitting. As two witnesses on the next panel are alluding to in their written testimonies -- we haven't heard them yet -- when this legislation came before us last Congress, the majority snuck in a provision that would make FERC, not the States, responsible for compliance with Section 401 of the Clean Water Act. And frankly, I suspect that our majority might try to include that provision in this bill again, so I would like to get some things on the record.

So, Mr. Turpin, does FERC currently have any expertise on the Clean Water Act as it applies to natural gas pipelines? And if the language from the earlier iteration of this bill becomes law, would FERC become legally liable for ensuring that its pipeline certificates and the conditions in them complied with the Clean Water Act? If you will.

Mr. Turpin. Thank you, Congressman.

At this point, FERC -- my experience, we do not have the experience with the breadth and depth of the Clean Water Act. Certainly, we are versed in construction pipeline -- construction of pipelines and right-of-ways crossing water bodies, but that is by no means -- you know, that look at best practices is by no means the same thing as the Clean Water Act compliance.

And so we would have to -- if those responsibilities were given to the Commission, we would definitely have to seek additional resources, additional expertise.

Mr. Pallone. All right. Well, let me record my opposition to such a provision on the record. I am very much opposed to it.

I am going to go back to Mr. Goff. And I don't know, I think I am making him uncomfortable here with these questions, but I am going to try again.

In your written testimony, you said that it, quote, it is the policy of the executive branch to ensure Presidential supervision and control of independent regulatory agencies, unquote. But do you think that the President should be able to fire commissioners, for example, from the Nuclear Regulatory Commission or the Federal Energy Regulatory Commission at will? I mean, that is what he is doing in so many cases, just doing this at will. And do you think that further politicizing the NRC would make nuclear energy safer or more dangerous, if you would?

Dr. Goff. Well, that is, again, not my expertise --

Mr. Pallone. I knew you were going to say that.

Dr. Goff. But I think the administration is still committed to, as far as the regulatory agencies, making sure that they can function to do, you know, the things that they are tasked to do. I mean, Nuclear Regulatory Commission, want to make sure that they still maintain the safety of the operation of the existing fleet. So I don't think any action is looking at trying to reduce the actions that they are supposed to be moving forward but making sure that they are moving forward in an efficient and effective manner.

Mr. Pallone. But you see, my point is -- and I don't know, you are probably not going to answer my question, and I am not being critical. The point is, sure, there can be supervision and, you know, investigations, but these are supposed to be independent

agencies. And the President takes the position that he can just fire these commissioners at will. To me, that has nothing to do with ensuring that, you know, that the Commission runs properly or procedurally, is operating in a right way. Because if you just -- if you say, Look, I can fire anybody because I don't like them, because they are not following my policies, then they are not independent anymore. But I guess I can't get you to comment, right?

Dr. Goff. Again, that is not my area of expertise to comment on that.

Mr. Pallone. All right. Thanks anyway.

Thank you, Mr. Chairman. I yield back.

Mrs. Miller-Meeks. The gentleman yields.

The chair now recognizes Representative James from Michigan for 5 minutes for any questions he may have.

Mr. James. Thank you, Madam Chairman.

Today we have an opportunity to advance a transformative vision for our Nation's energy future through my Securing America's Critical Minerals Supply Act. This bill is a bold step toward ensuring the United States leads in energy innovation, security, and independence. Securing America's Critical Minerals Supply Act redefines critical energy resource to empower the Department of Energy with a clear mandate: to secure the supply of minerals essential for our energy sector.

My legislation directs the DOE to conduct ongoing assessments of supply chain vulnerabilities, develop strategies to strengthen domestic production, and invest in innovative technologies. It equips our Nation to counter anticompetitive tactics and human rights abuses in global markets, ensuring America's energy systems are resilient, self-reliant, and humane.

Our State is home to the Palisades Nuclear Plant, which is on track to become the

first commercial nuclear facility in U.S. history to be successfully restarted. With support of the Department of Energy and under the ownership of Holtec, Palisades is a flagship example of how public-private partnerships advance U.S. energy resilience and reliability. Michigan also has the industrial capacity, the workforce, and research institutions needed to support domestic processing of critical minerals used in advanced nuclear fuel and small modular reactors.

The Securing America's Critical Minerals Act presents an opportunity to align these capabilities with national policy, to secure -- to build secure regional supply chains, and advance American energy security. This is about unleashing American energy, powering our factories, fueling innovation, and securing the future. The Securing American's Critical Minerals Supply Act is a cornerstone for reshoring manufacturing, reducing dependence on foreign dictators and despots, and building an energy-independent America.

I urge my colleagues to support this bill and unleash the full potential of American energy.

So, Mr. Turpin, thank you for being here today. Michigan's energy infrastructure, including grid upgrades and pipelines needed to support nuclear fuel delivery and industrial energy reliability, is key to maximizing the Palisades restart. How, in your opinion, can FERC coordinate more closely with DOE to expedite permitting for energy infrastructure projects critical to Michigan's manufacturing base and Great Lakes logistics?

Mr. Turpin. So for the infrastructure that we have citing authority, that would be natural gas pipelines in this case, we have a process by which we reach out to all of the agencies that could be involved for coordination and input into the processes, we move through reviewing any of those proposals.

Mr. James. Thank you.

This is to Mr. Goff. As the Palisades Nuclear Plant has already secured the fuel needed for restart, an important milestone and testament to strong DOE private sector coordination. As we look ahead to long-term operations due to deployment of SMRs at the site, how will DOE apply the tools in this legislation to ensure resilient domestic supply of which -- in which -- excuse me -- enriched uranium and advanced fuels that are critical to sustain nuclear production?

Dr. Goff. We are currently moving forward right now with an activity to make sure we do onshore more of the uranium activities as far as on the fuel domestically. So we are looking to try to make sure that we have a -- increase our domestic enrichment capabilities so that we do have uranium to provide that fuel. We have provided -- roughly 20 percent of our fuel for our existing fleet has come from Russia. Recognize they are not a reliable source of supply, so thanks to investment provided from Congress, we are moving forward on establishing additional low-enriched uranium capacity for the existing fleet.

Should also know we are working, again with funding provided by Congress as well, to move forward and also establish a high-assay low-enriched uranium supply capability that is needed for many of the advanced reactors that we would like to deploy as well.

So like I said, we are taking positive steps right now to incentivize that build-out of enrichment capacity in the United States, and also should -- should be supportive of the mining and the conversion type activities as well. So again, we have a reliable fuel supply for the Palisades.

And also let me commend you; we are also very excited about the Palisades restart here in the near future.

Mr. James. Very quickly, sir. Can you identify any gaps, where they are and for how long, between America's ability to be self-reliant on these particular fuel sources and our dependence on outside fuel sources? What is the potential risk that we face at this point?

Dr. Goff. The central risk that we face right now is the time it takes to get that new capacity online, which we expect that to be somewhere in the order of 3 to 4 years to get that new capacity. Congress did pass a ban on the importation of Russian-enriched uranium. We can have waivers, I have been told, through 2027. So that should be able to get us to the point where we can continue to move forward.

And I should stress, on those waivers, we want to make sure we are only using waivers when they are needed to make sure a plant continues to operate. We don't want any existing fleet to shut down because we can't get fuel. So it is critical that we manage that supply of material until we can get that new capacity online.

Mr. James. Thank you, sir.

Madam Chairwoman, thank you for your patience. I yield.

Mrs. Miller-Meeks. The gentleman yields.

The chair now recognizes Representative Tonko for 5 minutes for any questions he may have.

Mr. Tonko. Thank you, Madam Chair. I appreciate you and the ranking member hosting this hearing.

Mr. Morenoff, I start by asking you to give us a bit of history -- of a history lesson given your many years of service at the Commission. Do you recall in 2017 when, during the first Trump administration, the Department of Energy submitted a notice of proposed rulemaking to FERC on grid reliability and resilience pricing?

Mr. Morenoff. Yes. That is correct, Congressman.

Mr. Tonko. And am I correct that the gist of that proposal, in simplified terms, was that coal and nuclear generation facilities are the basis of having a 90-day onsite fuel supply would have received additional payments under the presumption that these facilities were critical to maintaining grid reliability?

Mr. Morenoff. Yes, Congressman, that is correct.

Mr. Tonko. Thank you. And this turned out to be quite a controversial proposal. A bipartisan group of former FERC commissioners assessed that it would inevitably raise prices and break from FERC's historic fuel-agnostic approach.

So, Mr. Morenoff, can you tell us what was the result of that NOPR?

Mr. Morenoff. Yes. In, I believe, January of 2018, consistent with the timeline that had been established by the Secretary of Energy in submitting that proposed rule to the Commission, the Commission unanimously rejected that proposal, finding that it did not satisfy either part of the relevant provision of the Federal Power Act. The Commission also at the time, then, opened a new proceeding with respect to a variety of resilience-related issues.

Mr. Tonko. Thank you. So there was a bipartisan consensus, then, that we shouldn't discriminately favor certain types of generators when it comes to meeting our reliability needs.

The reason I bring this up is because many of the same policy preferences and talking points from 2017 are back in the proposals before us today, which can be boiled down to members putting a thumb on the scale for certain types of generation at the expense of the people that will need to pay for those assets.

I see some similarities with the goals of that NOPR and the Power Plant Reliability Act, which would allow the Commission to compel uneconomic generators into what would essentially be a 5-year reliability must-run contract.

I also want to mention that at least two of the proposals under consideration today define the term "reliable generation facility" to mean having onsite fuel storage and being able to generate electricity during emergencies and severe weather conditions, again, very similar to how the 2017 NOPR was framed.

Now, I recall, during the polar vortex a decade ago, that there were reports of coal piles freezing, rendering those units useless. And in November of 2021, in the aftermath of Winter Storm Uri in Texas, FERC issued a staff report that identified a litany of reasons that generators failed, including freezing issues, mechanical issues, and fuel issues.

Mr. Morenoff, hopefully you can recall that review. Is it fair to say that having an onsite fuel supply did not guarantee a generator's ability to operate during Winter Storm Uri?

Mr. Morenoff. Congressman, that is correct. I think it is also worth noting that, in part, learning from events such as those that you just described, FERC has since that time working with NERC, the electric reliability organization, put in place standards for generator winterization, which we have seen significant benefits from the placement of those standards.

Mr. Tonko. Thank you. I appreciate that.

And were there failures for a variety of reasons across all types of generators, be they coal, gas, nuclear, or renewables?

Mr. Morenoff. Yes. I believe that is correct as well, that generators of a variety of types encountered difficulties associated with those winter weather conditions.

Mr. Tonko. So trying to statutorily define reliable generation facility as having characteristics that were proven to not be reliable in recent years, again, seems to be putting a thumb on the scale. This is a common theme across these proposals, whether it is finding new ways to compel uneconomic generators to operate or giving preferences

for certain fuel types, even if they don't guarantee reliability.

I believe we are taking the wrong approach here today, and we should return to the bipartisan work done by FERC for better fuel-agnostic ideas to maintain reliability. Does that resonate in a sensible manner to you?

Mr. Morenoff. Thank you, Congressman.

I think it is very important at present to be looking at how we can expedite the interconnection of all types of generation, as well as recognizing that individual regions may have particular challenges, which FERC should consider as well.

Mr. Tonko. Okay. I appreciate it.

And with that, I thank you and yield back, Mr. Chair.

Mr. Latta. [Presiding.] Well, thank you very much.

The chair now recognizes the gentleman from Ohio's 6th District for 5 minutes for questions.

Mr. Rulli. Thank you, Chairman.

My question would be for Mr. Goff. Can you tell us more about why the Department of Energy supports the reestablishment of the National Coal Council and why we need coal now more than ever to get involved in the energy mix?

Dr. Goff. On the -- right now, coal still does provide a significant fraction of our electricity in the United States, you know, somewhere between 15 and 20 percent. Establishing -- and we are looking at -- as we said, we are needing more and more electricity, not less electricity.

So to me -- I should note I am an R&D type person even though I am sitting here as a policy type person. To me, having more data is always important when you are looking at different topics. So establishing the National Coal Council provides additional input to the Department of Energy on how to manage the assets of coal, including the

mining and the operation of it. So I think it does still provide us that critical data, additional data that we need to assess, again, how you do continue to operate coal facilities. And again, because it is kind of a -- it is critical right now for our electricity generation.

Mr. Rulli. I really appreciate that. You know, I was in the Ohio State House for almost 6 years, and I sat on Energy and I was chair of the Government Committee, and I noticed a couple different things. I had a couple tours of the Cardinal Plant down on the Ohio River, which has three generative plants that has coal convert into electricity. I personally built three plants with some investors in the Ohio State House for two power plants in Lordstown and one in Wellsville. I have experienced energy of all the above, but my opposition party over there says that we have to have all of the above.

But the reality, the tangible reality of what is going on in America is, three Christmases ago, the American grid almost melted down. Is that correct, sir?

Dr. Goff. We have had challenges at different -- in different winter events. Yes.

Mr. Rulli. All generated plants in this country were told to go at full capacity and where we were within 3 hours of turning into third-world nation where we didn't have power to support the Americans that we represent.

So let us go into the depth right now. When we have an opposition party that allowed under the Biden administration the celebration of brand-new coal plants being built in China, being built in Germany and Russia and India, when in America, we are closing our plants.

I had a plant, the Sammis Plant, which actually sits in my district, I -- sits right across the street from Rley Moore's district in West Virginia. And we saw this plant, which was perfectly good of putting energy back into the grid, dismantled for no good reason, when the administration that ordered their removal and their complete

destruction celebrated these countries that are playing with dirty coal, with coal development that is not done on to the standards of the American system. So we saw that, and we saw the jeopardizing of the American grid.

China uses seven to eight times more coal than us. Oftentimes American coal is the only coal that you could actually sort of support for this country and for the world. Coal is still burning really strong right now in China as we speak, and they are literally laughing at us, because they are building multiple different generated coal plants per year as we are shutting ours down.

Now, I don't think anyone on my side of the aisle says we want to make power plant -- solar or wind extinct, but right now, Greenpeace is fighting with the wind industry because actually we have whales on Cape Cod that are washing up on shore and, you know, we have to support the whales. And then we have solar plants that are being -- basically, a civil war with the Agriculture Department right now because we are taking good tillable land and we are putting solar panels on it.

It is sort of a proven fact right now, solar panel, after 25 years of use is almost as toxic as a nuclear barrel of waste. So we have all these different aspects. We should actually -- if we are going to have solar, we should have incentives where we take stripped out mine lands throughout Ohio and this country and put the solar fields on there so we have a path forward. But the path forward right now is definitely natural gas and coal.

So I want your thoughts on this. Using American coal for the American energy supports high-paying jobs, increased energy supply for the grid that we are worried is going to go down, cuts down on electric costs of "Joe Bag of Donuts" blue collar worker. So what are we here for? The populus movement, the Republican Party is here for the blue collar worker, the mom and dad who cannot pay their bills every single month.

And we are going to explore solar panels that will never run a jumbo jet, a train, a Mack truck.

Supporting American coal just makes sense to me. I am a proud sponsor of H.R. 3015, which reestablishes National Coal Council. And what I am understanding from my coal friends right now, there is a vaporizing process that is a new process of harvesting this energy that is inside coal which is so much cleaner than even new coal.

So with all those thoughts I threw at you, I would love your response to that.

Mr. Latta. Well, we have to do it in 4 seconds, but if we could, if -- if the gentleman would want to direct his questions in writing to the witness, that would be great. So thank you.

Our gentleman's time has expired, and the chair now recognizes the gentleman from Texas's 33rd District for 5 minutes for questions.

Mr. Veasey. Thank you, Mr. Chairman.

Dr. Goff, I ain't trying to mess with your ends, and I am not -- I know you have a job you have to do, and you have to be very careful about things, right? So I am not -- I am not trying to knock that. But, you know, one of the things that frustrates me about how we talk about energy on this committee is that it turns into this whole versus deal, right. We have created this versus universe here on Capitol Hill. So instead of us being able to have real discussions about energy security, affordability, how we make energy cleaner, all of those things, it turns into the Cowboys versus the Eagles, which is not healthy, right. Because I am always going to root for the Cowboys. So if that is the way we are going to frame it, then we are not going to actually be able to come up with energy solutions.

And I just want to know -- and if you can't answer, I get it, man. But why was it so hard for you to answer

Mr. Menendez' question? Because that is what makes this discussion so hard to have on Capitol Hill. He was just asking you a simple question, and you just -- and you wouldn't answer it because you thought that you weren't -- you weren't toeing the line for your team.

Why didn't you just answer his question?

Dr. Goff. Well, thank you for your question. And maybe I didn't understand his question, but let me make sure I was clear. I think we need all energy sources out there --

Mr. Veasey. Including the renewables --

Dr. Goff. Including the renewables.

Mr. Veasey. Okay. That is all he was asking you. And when you don't answer questions like that, that is when this conversation turns into this really black and white, where we deduce this down to something simple. And there is nothing simple about our energy security, the affordability, the reliability, and the cleanliness of it, because all of it takes sacrifices, all of it -- if you take one from the other, then it is going to make it harder.

Like, none of this is easy. There is no easy solution. I had a kid tell me that we could be 100 percent renewable today if we wanted to but the energy companies aren't letting us do it. And I was like that is not true. We can't be 100 percent renewable today. That is a lie. And so when people come to me, even if they are on my own side, I will say, No, that is a lie. And so we need to hear the truth from you.

And so I just want to ask you, can you speak to the impact of the recent losses at DOE, particularly in offices responsible for clean energy deployment and community programs, and how this may affect grid reliability, transmission modernization, and energy access? Can you touch on that?

Dr. Goff. I do not have numbers on losses or anything like that as far as with the deferred resignation program. So I can't speak to how those things -- the numbers of people or anything like that. I don't have those type numbers.

What the Department, though, is committed to do is to be able to still move forward and execute our energy mission to, again, make sure that we have affordable, reliable, and secure energy for the American people. So we will be looking at -- as far as what the structure should be for doing that. So we are committed to still moving forward on those type -- on those actions.

Mr. Veasey. Yeah, yeah, because we need to know that. I mean, in Texas, we have the three largest wind projects in the world. Everybody thinks, oh, Texas, oil and gas. We have the three largest wind farms in the world, just west of me in Texas. And so these are things that we need to know.

So have you all conducted any internal analysis of how repealing the IRA's clean energy tax incentives would affect power prices and reliability in fast-growing States like mine?

Dr. Goff. There has not been any analysis looking at how any repeal would be done, as far as I am aware of, at this point.

Mr. Veasey. Okay. Okay. Do you have concerns that the politically motivated tax on FERC, such as the recent attempts to sunset all of its rules, could destabilize long-term investment in reliable power infrastructure?

Dr. Goff. I am not aware of what the political, you know, attacks were on FERC right now. So I would have to be more up to speed on what that particular tack was. I am sorry.

Mr. Veasey. Right. As you know right now, if you look at the price of WTI, the Trump tariff taxes are roiling the energy market, so there has been a lot of disruption in

the energy market. And if the price goes much further, it is going to disrupt future investment in oil and gas production in the Permian Basin.

And I wanted to ask you, have you all started to do any reports on how high the price of oil will go up, which would make our gas prices a lot higher, if they have to rent back up all of a sudden because the economy picks back up? Have you all looked at how that could really make prices sky high for consumers?

Dr. Goff. I am not aware of any work that has been done at this point in time. I am not aware of any.

Mr. Veasey. Okay. Thank you. Mr. Chairman, I yield back.

Mr. Latta. Well, thank you very much. The gentleman yields back.

The chair now recognizes the gentleman from Colorado's 8th District for 5 minutes for questions.

Mr. Evans. Thank you, Chairman. Thank you, Ranking Member. Thank you, of course, to our witnesses for coming today.

I think we have all heard the statistics that we need more power, not less, just growing demands on the grid and all of those uses. And so, with that, that baseline understanding in mind, my first question would be to Dr. Goff. One of the pieces of legislation that is listed here today is the State Planning for Reliability Act, which seeks to leverage States' role in effective long-term planning for resource adequacy by ensuring that utilities consider the role of reliable power generation.

And during a recent hearing with some of the regional grid operators, we heard how these State policies are having an outsized impact on reliability. And in my State, we are having issues with affordable and reliable power generation because of some of the policies that are happening in Colorado.

And so my question to you is, what actions is your department taking or can your

department take to ensure that we have reliable power generation that stays online?

Dr. Goff. The Department does do a significant amount of work with a lot of the different State -- you know, State agencies. Like, we do a lot of work with, you know, NASEO, the National Association of State Energy Officials; NARUC, the national association of State regulators to, again, work with them to look at how they, you know, how they can deploy different energy sources to their systems to make sure that they do have a good, reliable grid.

Again, I will go back to my nuclear hat where I have worked primarily. We have done a lot of work and do studies with some of those State agencies. In fact, there is one that is going to be kicked off right now that NASEO is leading with a number of different States looking at, again, how they can look at accelerated deployment of nuclear to again help -- you know, help again maybe stabilize and provide additional reliability to their grid.

So we do a fair amount of outreach to those States to look at what are the different options they can deploy.

Mr. Evans. Thank you.

To kind of continue on that theme, Mr. Morenoff, as I mentioned, during some of our recent hearings with regional grid operators, we heard some concerns about the rate of politically motivated premature retirements and the impact that the retirements of those energy sources are having on reliability. Does FERC share these concerns about State policies that are driving out reliable power generation?

Mr. Morenoff. Thank you, Congressman.

While FERC very much respects the decisions that are made at the State level pursuant to authority that is specifically reserved to the States pursuant to the Federal Power Act, we do take very seriously our responsibility with respect to reliable and

affordable power, and we work very closely both with our State commissioners and then implementing FERC's authority with those goals in mind.

Mr. Evans. And just following up on that. How important is long-term planning when it comes to making sure that we have reliability and affordability for our ratepayers? Kind of going back to what you mentioned there, we know that the States do have some leeway to be able to set that resource mix. But how important is that long-term planning for reliability, for affordability, and how can those States make sure that they are working with our regulators like FERC to make sure that we are meeting goals around reliability and affordability?

Mr. Morenoff. Thank you, Congressman.

I agree that long-term planning is very important, and there are different ways that different regions of the country approach that. In some regions of the country where there is an organized market structure that is subject to FERC regulations, there are different capacity constructs that seek to address that issue. And indeed, Chairman Christie, given his particular interest and concern with some of the trends in those markets, has called for a technical conference on June 4 and 5 of this year. There are other regions of the countries that do not have those same structures and rely on more of an integrated resource planning model that tends to take place at the State level.

Mr. Evans. Okay. And Colorado, of course, is in that latter category. And so four States that are in that category, how much concerns do you have around -- you know, the statistic that we saw the last time we did this hearing as Colorado, I think, is responsible for about 1.2 percent of the generation that occurs across the country. But in the next couple years, they are going to be responsible for almost 10 percent of that base load power that is actually dropping off the grid.

So do you have concerns when you see States, particularly in less organized

markets, that are taking directions like that?

Mr. Morenoff. We think it is crucial to ensure that we have the resources that are necessary to meet what is a rapidly growing electric load, and that involves both new generation and preserving the resources needed at present to avoid reliability concerns.

Mr. Evans. Thank you. I yield back, Chairman.

Mr. Latta. Well, thank you very much. The gentleman yields back.

The chair now recognizes the gentlelady from Washington's 8th District for 5 minutes of questions.

Ms. Schrier. Thank you, Mr. Chairman. Thank you to our witnesses.

I want to emphasize the importance of making sure we can provide affordable and abundant energy as demand increases. I also really want to express my appreciation to the committee for the interest in improving our interconnection queues around the country.

In the Northwest, the bulk of transmission is managed by Bonneville, a self-funded government agency under the Department of Energy that operates and maintains the region's grid. Representative Bentz in this committee, my colleague from Oregon, and I are well aware of the interconnection queue backlog that Bonneville is trying to address, which currently totals 186 gigawatts over 272 projects. And that is a really long line. And just to give you a sense of scale, the entire State of Washington has a summer capacity of roughly 31 gigawatts.

And while we have seen this exponential growth, not all these gigawatts are expected to actually come to fruition. Some projects are definitely more viable than others, and some serious reforms are needed to really put the potential ones to the front of the line.

So that is why, among many reasons, any depletion of the already understaffed

workforce at Bonneville really kneecaps the agency's ability to process this backlog, build out transmission, and keep energy reliable and affordable as demand spikes.

Under Secretary Dr. Goff, I would just like to get you on the record here on behalf of my constituents and the entire Northwest. I have been reassured that BPA would be exempt from reduction-in-force plans at the Department of Energy. Will employees of this agency that is not dependent on tax dollars be subject to another round of layoffs in the RIF plan?

Dr. Goff. I am not aware of anything on another round. As far as with the deferred resignation that has come in right now, the Department does reserve the right to be able to tell people if they are in a critical, you know, public safety, national emergency, be able to not allow them to take the deferred resignation program. And that was -- we did look at that, those critical needs, as far as what the power administration authorities like BPA to make sure that BPA is still well staffed, going forward.

I am not aware of any plans in the future that they would be impacted by as well, as far as with BPA going forward.

Ms. Schrier. That is really interesting. It is like another one of this administration's, you know, hack away and then oops, right. They just sent out another letter offering early retirement, early resignation, all across Bonneville. And now you are saying you can actually rescind that offer.

But who is most likely to take that offer? It is people who are close to retirement, who have the most experience, who already built up their pension, who can get other jobs elsewhere, who are now experiencing an increased workload because other people have been laid off or taken retirement. These are the people who train up the next generation of engineers, line repairmen, et cetera, at Bonneville. And they are

the ones who are taking this offer, understandably.

I mean, wouldn't you, if you had an increased workload, better opportunities that pay more, and you are being treated like this by DOE, who could rescind this, and by this administration?

So I just want to really double down on this, that there is reduction in force, and there is, in some ways, even more serious early retirements that totally kneecap the agency. And here we are today. Most of the emphasis have been on new power generation. But the way we can, in the quickest way, meet demand is by this interconnection queue, by building on our grid. And this is taking away exactly what we need to meet that demand.

So I am worried, and the entire Northwest is worried as well.

I also, you know, just wanted to double down on the need for transmission. I would love to have that hearing in this committee only because, you know, we had a good enough compromise between both parties with the Manchin-Barrasso bill in the last Congress that could have gotten buy-in. When a thumb is on the scale for oil and gas projects, you are unlikely to get bipartisan buy-in.

But if we can find that good compromise, if the real goal is to move our country forward, build out that transmission and keep energy abundant, reliable, and accessible, that is where we should be headed, not some of the CRAs we are addressing today.

Thank you. I yield back.

Mr. Latta. Thank you very much. The gentlelady yields back her time.

And the chair now recognizes the gentleman from Oregon's 2nd District for 5 minutes for questions.

Mr. Bentz. Thank you, Mr. Chair. And thank all of you for being here.

So, General Counsel Morenoff, I am particularly interested in knowing what is

taking most of the time in your department when it comes to regulatory obstacles or barriers, so we know where to focus our attention. Because there is no doubt about the need. The transmission just referenced in the previous questions is a great example of difficulty.

I mean, it would be one thing to have all kinds of people ready to do stuff, but if there is regulatory barriers, good luck. So share with us what we should be focusing upon to try to reduce those barriers.

Mr. Morenoff. Thank you, Congressman.

I think that the Commission is focusing on very similar issues, particularly on what needs to be done to ensure the reliability and affordability of our electric supply across the Commission's jurisdiction. In that respect, some of the issues that we have talked about today, looking at ways that we can increase the efficiency of the interconnection process in order to ensure that needed resources are moving through expeditiously.

I think it is also really important to be considering, as we have talked about, if there are resources that are needed for reliability but considering retirement, what are the steps that we can take, whether that is through consideration of market signals or other issues, other approaches. And we also continue to look actively, as my colleague, Mr. Turpin, has described, about what we can be doing to be moving infrastructure permitting as promptly as we have.

Mr. Bentz. Okay. Let us go to permitting, because what I am most interested in is how we can speed up what FERC has to do. And in my dealing with FERC, which had to do with relicensing of hydropower projects across the Northwest, I noticed that FERC was just as apt to be stalled out as any other organization by virtue of some of the laws that we have and some of the regulations under them.

So which one of those regulations, in your opinion, is the most time-consuming for

your department?

Mr. Turpin. I can address that on the permitting side. I am not sure that I could identify a single one. I mean, the U.S. has decentralized permitting. There are a myriad of statutes that every project has to comply with. And depending upon the circumstances and the scope of what is being looked at, any one of those could become sort of a long tent in the pole.

Mr. Bentz. Well, I am just thinking, when I think about the need for transmission and I think of the need for generation and then I think about the need for permitting reform, it seems to me that permitting reform is the most important thing, because that is what is standing in the way of our actually getting those other two things done. So if I can't turn to you guys to tell us where the barriers are, who do I turn to?

Mr. Turpin. Well, again, I am not sure I can say there is a single -- permitting is something that takes a good while to do.

Mr. Bentz. It certainly does, but tell me, why is that?

Mr. Turpin. It is because of the issues that have to be looked at and because of the panoply of Federal statutes that exist for any kind of --

Mr. Bentz. So I read the testimony, and I saw references to the Endangered Species Act and to other similar environmental protection statutes. Is that what you are talking about or is there something more?

Let me just share with you this. There are certain requirements that States weigh in on the relicensing of dam process. And I saw Oregon and Idaho held hostage by a State, Oregon, under those opportunities. How is that? Is that something you see often, where States using the consultation requirements under the ESA delay things?

RPTR DETLOFF

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[12:14 p.m.]

Mr. Turpin. I haven't seen that, I think, with the ESA. We have seen relicenses that have been delayed while waiting on State 401s, and while that delay occurs, then new species might be listed or a new critical habitat identified, and so then the ESA process has to be refreshed.

Mr. Bentz. Mr. Goff, there is much talk about how we are going to be held hostage and probably are being held hostage by virtue of foreign countries controlling the types of uranium and other rare earth minerals that we absolutely need and don't have.

Is it your thought that we actually can somehow overcome this without protecting those who invest billions of dollars in the processing plants? Because when I have talked to people who are in that space, they are scared to death of dumping all this money in and then having the protections that tariffs and other things provide evaporate, and suddenly they all go broke. So how do we address that?

Dr. Goff. On the example of uranium that you brought up, one thing that I think was critical to make sure we have that investment -- that the government provides some incentive for the companies to move forward, but they also need assurances that the adversarial entity that is providing the material doesn't come back into the market.

So that was very -- you know, we were very thankful that Congress did pass a ban on uranium as well because it would probably be hard for companies to invest even if the government is putting in money if they don't know that they are not going to be undercut later on in the future if another country basically dumps material in that. So it is those types of actions that will help enable to have that investment going forward.

Mr. Bentz. Thank you. I yield back.

Mr. Latta. Thank you very much. The gentleman's time has expired and yields back.

The chair now recognizes the gentlelady from New York's 14th District for 5 minutes for questions.

Ms. Ocasio-Cortez. Thank you so much, Mr. Chair.

And thank you to all of our witnesses who are here today.

I would like to zoom out a little bit for the public and folks who are following from home trying to understand a lot of the technical conversation that we are having here today.

Mr. Morenoff, you work and are the acting general counsel at the Federal Energy Regulatory Commission, or FERC, which is what we are talking about today. And FERC oversees our entire country's national electric grid. And one of the things that I am increasingly concerned about as our summers get hotter and hotter is the reliability of the U.S. electrical grid as we start increasing the electrical load on our grid. As summers get hotter, people use more electricity to keep their homes cool, and similar things during the wintertime as well as we start moving towards heat pumps and other kinds of energy and climate technologies.

Now, Mr. Morenoff, does extreme heat increase the chance of large-scale power outages in the United States?

Mr. Morenoff. Thank you, Congresswoman. So, while as you noted -- I am an attorney, not an engineer -- I do think it is -- I agree with the premise that, under those extreme circumstances and the extreme demand associated with it, there are greater challenges with respect to reliability.

Ms. Ocasio-Cortez. And, Dr. Goff and Mr. Turpin, would you agree with that conclusion?

Dr. Goff. Yes, I would agree.

Ms. Ocasio-Cortez. Thank you.

Mr. Turpin. Yeah, me too.

Ms. Ocasio-Cortez. Thank you. And it strikes me that changes to our grid will be -- will need to be made in order in order to adapt to these changes to our climate.

Mr. Morenoff, is it true that FERC's mission includes maintaining a reliable, safe, and secure grid for the country?

Mr. Morenoff. Yes, Congresswoman. That is correct.

Ms. Ocasio-Cortez. And I think it is important for us to delve into some of the real human consequences of this, too. When the power goes out on large -- especially on a large scale -- we have seen this in Texas. We have seen this -- although Texas has a separate grid issue. But we have seen this, you know, in Puerto Rico and in other places across the country.

When the power goes out because of a grid outage, say, due to heat, we have seniors who are reliant on electricity-dependent medical equipment. We have people with disabilities who rely on oxygen and other kinds of medical devices. We have people that require refrigerated medicines. And when the power goes out, we are seeing people, especially medically vulnerable people or people in rural areas, whose lives can literally be threatened by a power outage, correct?

Mr. Morenoff. Yes, that is correct.

Ms. Ocasio-Cortez. Which brings me to some of the recent announcements that the Trump administration has made around sunsetting some of the rules and regulations regarding FERC. They have recently announced almost a blanket 5-year sunset of rules and regulations. And when we are talking about the profound depth and intricacy of the technical rules governing our electrical grid, these kind of blanket recisions or threats

can really threaten some of the reliability of our grid.

I wanted to ask about some of the specific rules. There is one in particular, Order 1920 -- it was approved last year in May -- which adopted specific requirements for transmission providers to develop 20-year transmission plans. And this was actually the first time that FERC has addressed the need for regional planning in over a decade. Would Order 1920 be subject to one of these sunset type of provisions?

Mr. Morenoff. So we are still in the process of reviewing the executive order to which you refer to to ensure that we have an understanding of the proper scope of what would be covered. But I think, yes, potentially, Order 1920 could fall within the covered regulations.

Ms. Ocasio-Cortez. So we are talking about some of the first stability provided in regional planning at risk of being on the chopping block for here.

How about Order 1977, also approved last year, which established a rule for FERC's backstop siting authority, and that enables FERC to issue permits for transmission in the National Interest Electric Transmission Corridor that was established by DOE? That, too, would be on the chopping block?

Mr. Morenoff. So, again, noting that we are still reviewing what the executive order and what might be covered, there is the potential that that could be covered. The executive order also does include a potential exception for permitting regimes authorized by statute which may be applicable to either or both of those examples.

Ms. Ocasio-Cortez. And I would imagine that would also apply to Order 2023 which requires all public utilities to set deadlines for interconnection studies as well, correct?

Mr. Morenoff. With the same answer that we are continuing to review, but potentially yes.

Ms. Ocasio-Cortez. I do want to impress upon the point that these rules and regulations -- historically, FERC has operated with a lot of bipartisan consensus, and I am quite concerned about any potential partisan or political imposition on rules that really govern the stability of the U.S. national grid. And, particularly in an environment of increasing climate change and increased load on our grid, we need to protect the reliability of our grid. Thank you.

Mr. Latta. The gentlelady's time has expired, and the chair now recognizes the chair of the full committee, the gentleman from Kentucky, for 5 minutes for questions.

The Chair. Thanks. I appreciate you all for being here.

And I agree with my colleague from New York who just spoke before me. When we talk about the demand for energy because of AI technologies that are coming and -- I mean, one answer is they don't come, but if we don't come, they are going to go somewhere, and they are going to go to China. So that is not an option. But, if they come on and demand energy, it competes with energy that is available for the people in their homes and seniors in their homes and things. So we have to expand our energy resources.

So, Dr. Goff, does the Department of Energy -- are you currently -- do you recognize this unprecedented demand since -- as I said in my opening statement, this is probably the 1930s demand just to have it -- this unprecedented demand or historic demand. Does the Department of Energy -- do they recognize the urgency of this and what it takes to expand our grid?

Dr. Goff. Yes. We definitely recognize the urgency of this, and that is why the Secretary has really focused on, again, needing energy addition as opposed to subtraction. We need to make sure that we can get all the energy sources available onto the grid as efficiently as we can. So there is that major focus on how do we move

forward on that.

The Chair. So would you seek congressional clarification on DOE's role to spotlight what inhibits energy expansion in critical resources? Are regulations useful?

Dr. Goff. Yes. Do you mind repeating that again?

The Chair. Yeah. So would you seek congressional clarification on DOE's role? What do you want from Congress -- I guess I will make it simple -- to help you with this expansion in terms of regulations and clarification of what we need to do for you?

Dr. Goff. I think just continue to recognize the urgency of it. As we are moving forward, again, try to set up various programs to incentivize the deployment of new capacity, looking at, again, how we can look at streamlining reform, permitting reform, how we can make sure that we continue to move forward on the innovation technology work that we are doing to, again, help enable these new technologies. The continued support for those type of actions, I think, are very critical as we move forward.

The Chair. The thing is I guess that -- it is just what I say the demand -- as I said, we had Mr. Smith here. I have had Bill Gates say that a Microsoft data center can consume as much as power as the city of Seattle. So, if you build a Microsoft data center next to the city of Seattle, you have to double the power, is essentially what they are saying. And so, if you don't double the power, it competes with people living in those areas.

And so I just want to make sure we are all sincere. I think we do here on our side of the dais -- we are going to work -- figure out how to work together on some -- maybe differences in getting there, but I think we are absolutely united in beating China.

And so, flipping over to Mr. Morenoff, does FERC recognize this growth in demand, and what are you guys doing to get ready for -- I mean, I guess my point is it is not the next 10 years. It is the next 3 to 5 years is when we absolutely have to have

increased demand. And so just keeping power from coming offline and putting new power online, that is quick to do, and it has to be all of the above. That is why I think we can find some common ground here because it has to be all of the above to get it done, to make it work, to get what we need.

And so, Mr. Morenoff, is FERC positioned for this and ready to --

Mr. Morenoff. Chairman, thank you. Yes. I think FERC is intending and already using all of our authorities that we can that may be relevant to that set of issues. I think that goes to the issues with respect to ensuring expeditious interconnection of needed resources. That also goes to addressing what may be retirements that would cause reliability issues.

And I think, more broadly, some of the FERC structures that send market signals with respect to resources that may be needed in trying to attract new entry are of particular interest to Chairman Christie, and that is why he has called for a technical conference in early June to address that very issue.

The Chair. All right. Thanks. I only have got a minute left. I said that at the beginning of the 5 minutes this would be my question.

So, around the panel -- let me dive into you, Mr. Turpin. I will do that. Knowing the energy demand we need in the next 3 to 5 years, what concerns you the most? What do you need the most to meet the demand?

Mr. Turpin. So, from my role at the Commission, it is reviewing what I understand from industry to be an enormous amount of pipeline work coming our way, and so having the talented and expertise staff to do that is what concerns me the most.

The Chair. Okay. Thank you.

Mr. Morenoff?

Mr. Morenoff. I would echo Mr. Turpin's answer. I think we are doing a lot,

and we need to preserve the staff in order to be able to continue those efforts.

The Chair. Do you have the statutory authority to -- what concerns you about -- if you had the staff in place that prevents pipelines from being built, is there something you would like to see? Or I guess we can go to Dr. -- I guess Mr. Turpin on pipelines. Well, I am about out of time.

But what I would like to re-answer is, like, what are your big concerns. I know we need the right staff, and that is a fair point, but we also need -- what limits can Congress do besides providing you more staff -- money for more staff to -- what do we need to fix so you can get things done? Thanks. I appreciate it. I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

The chair now recognizes the gentleman from Massachusetts' Fourth District for 5 minutes for questions.

Mr. Auchincloss. Thank you, Mr. Chair.

And, in continuation of the chairman of the full committee's remarks on a bipartisan path forward for energy deployment that outcompetes China that secures reliable, low-cost energy for the grid and for consumers, I want to focus on nuclear deployment, which really should be an area of bipartisan momentum. It is clean. It is reliable. It is safe. But we are not very good at building it in this country, and we have got to get a lot better a lot faster.

Dr. Goff, this administration actually has professed to agree with that statement, but President Trump and DOGE's approach to efficiency is threatening lower-cost energy through nuclear and particularly with their approach to the Loan Programs Office.

And the other chairman had mentioned that we need staffing to accommodate this. Well, the LPO is facing, according to the Washington Examiner, a 60 percent reduction to its workforce. These are very technically skilled financial and programmatic

analysts who help make loans that have basically crowded in every single nuclear deployment that we have had in this country in the last 25 years.

I have got here a letter from, really, the public policy, finance, and industrial leaders across the landscape of American nuclear power saying that is a really bad idea, to summarize. And I am happy to introduce it to the record.

So what is the current staffing --

Mr. Latta. I am sorry. Did you say you want that in the record?

Mr. Auchincloss. Yes, please.

Mr. Latta. Okay. Without objection, so ordered.

[The information follows:]

******** COMMITTEE INSERT ********

Mr. Auchincloss. Thank you.

So, Dr. Goff, what is the current status of staffing at Loan Programs Office, and how does the administration plan to ensure that LPO has sufficient resources to continue its work in advancing nuclear power in the United States?

Dr. Goff. Thank you very much for the question. Thank you very much for the support for nuclear as well. It is something I share very much with you.

With respect to the Loan Programs Office, I do not have the current staffing numbers, you know, after the deferred resignation program. But I should note the administration is very committed to moving forward on nuclear. In fact --

Mr. Auchincloss. Dr. Goff, it is not committed to moving forward on nuclear. You can say one thing, but if you fire all the people who have been responsible for mobilizing nuclear power the last 25 years, you are not committed.

So when can we get answers about what the current staffing levels is and how this affects our ability to deploy nuclear?

Dr. Goff. Well, with respect to the Loan Programs Office, the one thing that I will point out that is going on currently -- the current administration has moved forward on the third payment for the Palisades restart. So the Loan Programs Office is continuing to function and execute on the loans related to nuclear.

Mr. Auchincloss. That is executing an already due diligence work. I am talking about new work. If we have got to build five Hoover dams' worth of nuclear power by 2030, which I think we do -- small, modular, micro, large -- you know, I will let the markets and the experts decide -- but if we have got to build a lot -- 10 gigawatts by 2030 -- we need to make new loans for construction financing. Is the LPO equipped right now, after being massacred by DOGE, to do that?

Dr. Goff. As far as I am aware, yes, they are able to continue moving forward

on --

Mr. Auchincloss. But you just said you don't have numbers about their staffing.

Dr. Goff. Because we are committed to making sure that we do have the staffing to move forward and execute the programs that we have ongoing. And, with respect to nuclear --

Mr. Auchincloss. I know you are committed. Here is my challenge. And this is going back to the points we keep on making. I am hearing the right words, right? I hear the right words from the administration on nuclear. I am hearing the right words from you. But the words and the actions are in real tension with one another.

And you are telling me, I don't know the status of the LPO, but I am committed to using the LPO to deploy more nuclear. Both things can't be true. If you are committed, then you have to have answers about where do we stand with the LPO. And what are you going to do to make sure the LPO has the workforce and resources necessary?

Dr. Goff. We are going to make sure that LPO has the workforce necessary to move forward.

Mr. Auchincloss. So will you disagree with DOGE publicly if you decide that you need more people than DOGE has decided that they need, the people at DOGE who have zero expertise in nuclear power? I mean, will you publicly disagree with them?

Dr. Goff. We will make sure that we have the expertise to move forward on those missions, and we have continued with LPO to execute on those missions.

Additionally, in the nuclear space, we have moved forward on the solicitation for the Gen III+ SMRs proposal. That went out a little over a month ago and solicitations were due on that. We are continuing to execute on activities to move forward and accelerate the deployment of nuclear.

Mr. Auchincloss. You may be moving forward. We don't know how effective the execution has been, then.

When can we expect answers from you, Dr. Goff, about the current status of LPO and how that tasked organization meets to its mandate?

Dr. Goff. We can work to get back with you answers on that.

Mr. Auchincloss. But when?

Dr. Goff. Well, the deferred resignation program still is ongoing right now to some extent, but we could probably in the very near -- we will get back with you expeditiously.

Mr. Auchincloss. Expeditiously. I yield back.

Mr. Latta. Thank you. The gentleman yields back.

The chair now recognizes the gentleman from New York's 23rd District for 5 minutes for questions.

Mr. Langworthy. Thank you very much, Mr. Chairman.

Mr. Morenoff, in our recent hearing with grid operators, we heard about the impact State policies are having on reliability of the bulk power systems. This concern is shared by NERC who has cited State policies as the reason for a growing reliability crisis.

Has FERC seen evidence that increasing reliance on intermittent resources as mandated by a State's own policy targets can lead to capacity shortfalls or stressed conditions in that particular State or across an entire region?

Mr. Morenoff. Thank you, Congressman. I think there are many factors that go into why we are seeing the increased reliance on a variety of intermittent resources. I think it is very important for FERC to respect the policies adopted by States pursuant to authority reserved to the States and also to ensure that we are meeting our statutory responsibilities.

Mr. Langworthy. Well, we have certainly seen these problems in real time in my own State of New York leading to widespread affordability and reliability concerns, and it is time and again one of the top concerns of my constituents as they look ahead to what is in store for them in a State that is zealously trying to end the perfectly good use of reliable natural gas in our State.

And, just continuing on that, has FERC expressed any concerns or signals regarding current State-level decisions, you know, based on reliability?

Mr. Morenoff. Thank you, Congressman. FERC feels, as I said, it is very important to respect the State policies. We also need to ensure that our authorities with respect to just and reasonable rates as well as a reliable bulk power system are also maintained.

Mr. Langworthy. Okay. Thank you.

And, turning to the Department of Energy here, Under Secretary Goff, is the DOE engaging at all with the States to, at the very least, encourage a balance between decarbonization goals and maintaining dispatchable bulk power resources?

Dr. Goff. Thank you very much for the question. Yes. We are engaging with the States at a number of different levels. We work with a lot of the different State organizations like the National Association of Governors, legislators, the public utility commissions.

One in particular is with NASEO as well, the National Association of State Energy Officials, which we had a lot of collaborations with them, especially -- you know, I fall back on my nuclear background -- in the nuclear space. Our Gateway for Accelerated Innovation and Nuclear, or GAIN, is actually working significantly with NASEO. And, in fact, NASEO is now standing up a committee that New York is one of the cochairs on that -- to look at how they can accelerate deployment of reliable energy technologies like

nuclear.

So we are working to do different case studies with different States to see, again, how we can help and analysis to look at how you can deploy these technologies in an accelerated manner.

Mr. Langworthy. Now, in cases where State actions have caused or contributed to near-miss reliability events in such cases as a major weather event, what has the DOE learned and how is it addressing those lessons as it is planning and giving its guidance to States?

Dr. Goff. Yeah. The Department of Energy but also FERC has done a lot of those lessons learned on different types of events. Some of our national labs and, I think, Lawrence Berkeley Livermore put out a study in December looking at, again, what kind of things we need to do to change the grid to make sure we are more reliable. So providing those lessons learned now but also, again, relying on our colleagues from FERC on a lot of the studies they are doing to look at, again, how can we improve the overall reliability of the grid.

Mr. Langworthy. Okay. Thank you, Under Secretary, and thank you to all the witnesses for being here today.

We have seen New York, California, and many other of the Democratic-run States pursue policy choices that are directly contributing to the reliability and affordability crunch our Nation finds itself in today, and I appreciate that the witnesses have said that because I think it helps demonstrate the gaps in accountability that currently exist for these policy choices that frankly affect residents beyond a single State or locality, and they have consequences for Americans across entire regions and across the entire country.

And, with that, I yield back, Mr. Chairman.

Mr. Latta. Thank you. The gentleman yields back the balance of his time.

The chair now recognizes the gentlelady from Texas' 7th District for 5 minutes for questions.

Mrs. Fletcher. Thank you so much, Chairman Latta.

And thank you to our witnesses for being here today and for your testimony. I think it has been very helpful for all of us.

And, as we are conducting this hearing on assuring abundant, reliable American energy to power innovation, I, of course, am proud to represent Houston, the energy capital of the world, where we know something about that. And, in Texas, of course, in 2023, we generated more electricity and produced more oil and natural gas than any other State. Texas also led the United States in wind power generation, and it was second in solar generation and battery storage capacity.

So these are issues that matter to people in my district and across our State. And, certainly, we are positioned a little bit differently than my colleagues up here because of ERCOT and because of our own grid system, but I think that these issues about reliability are front and center on the minds of Texans and Houstonians as we face extreme weather events and as we see the real challenges coming from the data centers. I know we have heard this from -- some of my colleagues have talked about a lot of these issues.

And I guess I am just a little bit disappointed that some of the bills that we are discussing today are designed to limit certain generation technologies and keep them -- keep from connecting them to the grid. For weeks, we have been hearing from experts across the ideological spectrum and I think we have heard consistently again today that, you know, the U.S. needs more -- not less -- energy coming online from various sources.

And we also can't have this hearing without thinking about the greater context in which it is happening. I know some of my colleagues have raised issues with the tariffs that the Trump administration is implementing and the impacts that is having on our economy, on investments, on the investment environment, and also as we see the efforts really to gut some of the investments that we worked on in the last two Congresses to spur energy investment. We have to take that into consideration.

So I appreciate that we are having the hearing. These issues are hugely important. And I think there is bipartisan support for the kinds of things we are talking about. We have been talking about them for a long time. But we can't move forward in doing this policy without coming together and addressing some of the real challenges that we are seeing in this administration.

Oh, my gosh. I have taken a lot of my time already.

So, Mr. Goff, I am going to start with you. In February, Jonathan Black from DOE's Office of Inspector General testified before the Subcommittee on Oversight here on E&C about the risks associated with conflicts of interest with the DOE's loan program and in the Loan Programs Office, and in response to my questions for the record about Elon Musk's clear and obvious conflicts of interest, he confirmed that unmitigated conflicts can impair objectivity and give particular parties an unfair competitive edge.

Now, reporting confirms that Musk's DOGE team has developed a list of energy projects funded by the Inflation Reduction Act and the Bipartisan Infrastructure Law that we passed two Congresses ago that they are planning to cut, and these projects are disproportionately located in Democratic-leaning States.

When we wrote and passed the IRA and the Bipartisan Infrastructure Law, we weren't thinking about red States versus blue States. You heard President Biden say that again and again. We were focused on investment and innovation and abundant

energy and reliable energy for all Americans.

And so I know that you are not responsible for that, and I know that you are not responsible for the actions of the political leadership and the administration, but as you are here discussing the importance of increasing our energy supply, I just feel I have to ask you to explain to us how will cancelling these ongoing projects help accomplish DOE's mission to advance U.S. energy innovation and success, or will it? I mean, can it help advance that mission if we cut these projects?

Dr. Goff. I should note I am not aware of any cancellation of those projects. I mean, right now, the Department is doing an agency-wide review of all the various programs to look at and, you know, assess them and make sure that they are, you know, consistent with the law, consistent with court rulings, consistent with our mission to move forward on affordable, reliable, and secure energy. So I am not aware of any, you know, blanket cancellations like that at this point in time.

Mrs. Fletcher. Well, I think there are reports that the DOGE group as opposed to the Department is making -- is identifying those projects. And, certainly, we have a lot of concerns here about the potential conflicts of interest and other things; so I hope that we can continue to have an ongoing dialogue about those.

I am going to run out of time. So I am going to have to submit my questions for you all for the record, and I am sorry. But I have got 18 seconds left, and I just want to raise this. I don't think I missed it, but as I am sure you are aware, DOE has lost 3,500 civil servants because of DOGE's efforts, and that is leaving a lot of divisions like the Office of Clean Energy Deployment with a tiny fraction of staff.

Now, we are excited about the programs we authorize like the hydrogen hubs. Does DOE have the staff to implement these huge new programs with these staffing cuts?

Mr. Latta. The gentlelady's time has expired. So, if you want to submit that in

writing --

Mrs. Fletcher. I can submit that for the record. And I thank you very much. I thank all of you for your time. And thank you, Mr. Chairman.

[The information follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Thank you very much. The gentlelady's time has expired.

The chair now recognizes the gentlelady from North Dakota for 5 minutes for questions.

Mrs. Fedorchak. Good afternoon, gentlemen. Thank you for being here today. I appreciate your time. I am sure you are excited to almost be done.

So, as we look at the challenges that our country is facing right now, it feels to me like we have three big competing needs. They are not mutually exclusive, but I would be interested in hearing your thoughts on ranking them. There is this desire to and need to meet the power demand of the citizens in America today, there is the need to meet the demand for AI, and there is the goal to transform our power supply into carbon-free resources. Those are competing interests. They are not mutually exclusive.

But how would you -- I don't think you can meet them all at once, personally. Twelve years as a utility regulator, including time as the president of the national association, I studied these a lot. I personally don't think you can meet all of those at the same time. How would you rank them?

Let's start with you, Terry.

Mr. Turpin. Well, from my relatively narrow role at the Commission, what I have heard sitting at the Commission meetings every month is that is an enormous balance to try to navigate those, and I think that is what the Commission is working on. But, beyond that, I really don't have an informed opinion.

Mrs. Fedorchak. Okay.

Dave?

Mr. Morenoff. Thank you, Congresswoman. I think it is crucial to be achieving reliability and affordability first and foremost. I think we can be making progress with respect to a variety of electric generation types as we are doing that, but I think those

goals must be fundamental.

Mrs. Fedorchak. Okay. And meeting the AI demand, how would you rank that?

Mr. Morenoff. Oh, I intended to include that within the broader scope --

Mrs. Fedorchak. Of the reliability?

Mr. Morenoff. -- of ensuring reliability and affordability for that demand as well.

Mrs. Fedorchak. Okay.

Mr. Goff?

Dr. Goff. Yeah. I agree that we do need to focus on all of them to a large extent. We do need to move -- but they are challenging. We do want to make sure that the American people do have affordable and reliable and secure electricity, but I will lump in with the American people -- you know, AI and all is critical for our economy and the American people as well and for our national security. We want to make sure that we have those capabilities on shore in the U.S.

So they are all very critical, and that is why we do have a major focus, again, on energy addition as opposed to subtraction. We have got to make sure we move forward on all the energy technologies to make sure that we can try to meet all of those different goals there moving forward.

Mrs. Fedorchak. Okay. When it comes to public policy, including incentives and penalties, they have a huge impact -- would you agree -- because they direct action and investment, where all the dollars go? In my opinion, it is vital right now to align our incentives towards the things we need the most on the grid.

Mr. Goff -- and go down the line -- what do you think are the most vital things we need on the grid right now, and how do we align our incentives to get those -- to draw those things forward?

Dr. Goff. We need to keep existing capacity on the grid as much as we can and

then, again, be able to accelerate deployment of new capacity, again, of all energy --

Mrs. Fedorchak. Capacity?

Dr. Goff. Hmm?

Mrs. Fedorchak. Capacity?

Dr. Goff. Capacity. Yes.

Mrs. Fedorchak. You mean that term. Not energy, right? Capacity?

Dr. Goff. Excuse me?

Mrs. Fedorchak. You mean capacity?

Dr. Goff. Yes.

Mrs. Fedorchak. Not energy?

Dr. Goff. Excuse me. New energy. Yeah.

Mrs. Fedorchak. Okay. There is a big difference. I was hoping you would say capacity.

Dr. Goff. We need the addition of new energy -- new generation capabilities on the grid. We can look at what the capacity factors are and all like that, but we need the addition. So we need the policies that will incentivize both of those, making sure we can keep existing assets running but also accelerate either through, you know, incentives or permitting reform as well to be able to move forward on deployment of new generating capacity on the --

Mrs. Fedorchak. Great. All right.

Dave, how about you? Same thing?

Mr. Morenoff. Thank you. The point that I would add is to say that I think it is important that FERC right now is looking at whether structures that we had developed in what frankly is a different type of environment -- and particularly with respect to the great increase in demand -- are still serving their purposes towards those crucial goals.

And I think that, with respect to looking at those resource adequacy and capacity constructs, it is important to be considering whether further changes may be warranted.

Mrs. Fedorchak. Okay. Very good. Just in my remaining 30 seconds, I just want to make a comment.

As it relates to the need for new transmission, I would make a plug and extend my arm across to my Democrat friends. As it relates to permitting reform and building new transmission, we also desperately need new pipeline infrastructure. And that is to help support the deployment of renewables. If that is your goal, we have to have more gas to back that up.

And so we could make a lot of progress there if the focus isn't only on power lines but if it is combined power lines and pipelines together. That is the bipartisan way that we are going to get this done. But you can't exclude one -- you can't have one without the other. It has to be both, both for reliability and for politically just being able to get it done. So I hope to work with my colleagues on that, and thank you.

Mrs. Fedorchak. The gentlelady's time has expired, and the chair now recognizes the vice chair of the subcommittee, the gentleman from Texas, for 5 minutes for questions.

Mr. Weber. Thank you, Mr. Chairman.

Mr. Goff, I am going to jump to you. I know you haven't gotten enough questions yet today.

My district along the Texas Gulf Coast is the home to some of the largest refineries in the United States. In fact, the three largest refineries in the U.S. are located in my district, and they boast a combined nameplate capacity of 1,866,024 barrels a day.

As a side note, the Keystone Pipeline would have come into my district in Port Arthur, Texas, and it carries 833,000 barrels a day. So we could have increased the

capacity coming out of southeast Texas -- what would that be -- one-third or one-half or whatever it is. It is a bunch. So I just want you to know what kind of district I am from.

I cannot tell you how important it is firsthand that -- not only for Texas but for U.S. global energy dominance -- what we do is extremely important. You know what they say. You can always tell a Texan, you just can't tell him much. So we are going to brag on Texas.

Can you speak to how a study such as the one directed by the REFINER Act -- and I am sorry I got here late. I was actually in another energy subcommittee. I am the chair of the Subcommittee on Energy in Science, Space, and Technology. Speak to how the REFINER Act may benefit the United States' energy security and dominance.

Dr. Goff. Yes. As I mentioned probably on one other question -- and, again, thank you for your question and your comments with Texas and all as well. I am a research and development guy from my history. So data and all and analysis to me is important as you are going forward to making decisions.

So, as far as the REFINER Act, tasking the National Petroleum Council to look at the vulnerabilities that we have with respect to refining is pretty critical because we do -- as I acknowledged in my testimony, our assets are aging assets out there, and petroleum for both an energy source but also for commodities is still very critical for our energy and our economics and our energy security, so --

Mr. Weber. And would you add trade around the world to that as well?

Dr. Goff. Oh, yes. Around the world as well, yes.

So I think having those studies done to really truly identify what vulnerabilities do we have and how we need to address them is an important thing to do to look at, you know, what the future is and what actions we need to be taking from the Department of Energy or the U.S. Government as a whole, as that report would go to Congress and to

the Secretary of Energy. That type of analytics is very important as we look at our energy future.

Mr. Weber. Thank you for that. I am going to stay with you for a minute.

H.R. 1949 would unleash American LNG to our allies across the world. In my Gulf Coast district of Texas, I start at the Louisiana border -- that other foreign country -- and I come down the curve of the Gulf Coast of Texas four counties. We have three LNG plants and a fourth LNG is just across the Louisiana border. We have the Sabine-Neches Navigation Districts which actually help Cheniere Energy move their ships out. So, in essence, we have one Texas company that is helping four LNG plants, and we have got two more on the drawing board right now.

So we know that the export of LNG is in the public interest. It is in the public interest to have billions of dollars to flow into communities like Port Arthur, Texas, or Freeport, Texas. We go from stem to stern all the way from the southern half of the district over to the Louisiana line. It is in the public interest for countries around the world, especially our allies, to purchase LNG from us. So do you believe that exporting LNG is in the public interest? It is a simple question.

Dr. Goff. Yes. I think --

Mr. Weber. What is the holdback?

Dr. Goff. Well, I would say, right now, the administration has released the freeze on, you know, looking at expansion and type activities. The Department plays a role -- major role with FERC on that and doing analysis to look at the --

Mr. Weber. Okay.

Dr. Goff. -- good of the country. We have approved four of those actions already. So we are, in the Department, moving forward.

Mr. Weber. Let's keep them rolling. I appreciate that.

I came in late. I got to see the comments from New York Congressman Tonko talk about Winter Storm Uri in 2021 which -- you know, I live about 30 miles north of Galveston. I have never seen Galveston Beach be 18 degrees. It was that February of 2021.

But he also made a comment -- he said, you know, they had a bunch of energy on board, but it didn't really help those plants. Well, look, it takes a lot more than just the source of energy to run a plant. You have got to have transmission. You have got to be able to move the products. It is like having a car. You can have a full tank of gas, but if your belts are off the car, the motor is not going to go.

Mr. Chairman, I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

The chair now recognizes the gentleman from Pennsylvania's 13th District for 5 minutes for questions.

Mr. Joyce. Thank you, Chairman Latta and Ranking Member Castor, for holding this important hearing, and to our panel for testifying.

The legislation that is under review today represents a strong slate of common-sense improvements to Federal regulations in the energy sector. Because of the wealth of natural resources in the U.S., we are well-positioned not just to deliver reliable and affordable power to the American people but to the world.

After years of predictable energy demand, technologic advancements in manufacturing and an increase in use of AI are leading to a surge in the need for electric power. By the end of the decade, the data centers necessary for this AI could consume almost 10 percent of all electricity in the U.S.

In Pennsylvania, we have the necessary natural gas reserves to meet this increased demand. We also have the resources available to beat China in the AI race to

provide abundant power both for the consumers and for the industry that continues to expand, and this will unleash incredible economic growth. However, in order to recognize and realize this opportunity, we need to ensure that Federal regulation doesn't stand in the way of efficient construction of the infrastructure and the new generation that is needed to meet this demand.

Two pieces of legislation under consideration today, the Unlocking Domestic LNG Potential Act and the Improving Interagency Coordination for Review of Natural Gas Pipelines Act, would help to streamline the regulatory process for project sponsors seeking to build the natural gas infrastructure.

Mr. Turpin, under both pieces of legislation, FERC's role as the lead reviewing and permitting agency is strengthened. Can you discuss some of the processes that FERC has implemented within its current statutory authority to approve this infrastructure in a timely manner?

Mr. Turpin. Thank you for the question, Congressman. Since the Congress changed the Natural Gas Act in 2005 to the Energy Policy Act, the Commission has been the lead agency for the NEPA review and for coordinating Federal authorizations.

One of the things we have learned in that period is that the single best thing -- or the two best things you can have are that early outreach and engagement to all of the permitting entities that are going to be involved as well as a committed project sponsor who is trying to get all the information needed before those agencies.

Mr. Joyce. Would you agree, Mr. Turpin, that making it explicit in the statute that FERC assumes the lead role in authorizing these infrastructure projects both improves certainty for the project sponsors that you just mentioned as well as proactively avoids delays that might arise due to process discrepancies between different agencies?

Mr. Turpin. Yes. That has been my experience over the last 15 years.

Mr. Joyce. I think that you recognize that ample energy resources are the key to the future of success both economically and for a stable energy market. We have an advantage over our global competitors. This legislation that we are considering today will allow us to leverage this advantage to the benefit of my constituents and -- even more than that -- for all Americans, and I look forward to advancing these important bills through this committee.

I thank you, Mr. Chairman, and I yield back.

Mr. Latta. Thank you. The gentleman yields back, and the chair -- not seeing any other members here wishing to ask this panel of witnesses any questions, that will conclude this panel. We really appreciate you coming in, and we will begin -- pause briefly to begin the second panel of witnesses, but thank you very much for your testimony today. Thank you.

[Recess.]

Mr. Latta. The Subcommittee on Energy will now come to order.

And, once again, the chair wants to thank our witnesses for appearing and testifying before us today. And each witness will have the opportunity to give an opening statement followed by a round of questions from our members.

And just, once again, a quick housekeeping. If you would pull the mike as close to you as possible. And the lights -- you will see you have 4 minutes when they are green, 1 minute yellow, and red is when you are out of time.

So, for our witnesses who are appearing on our second panel today, the honorable Jim Matheson, who is the chief effective officer of the National Rural Electric Cooperative Association and also an alumni of this committee. So welcome back to our committee. We really appreciate seeing you here today.

Ms. Amy Andryszak, the president and chief executive officer at the Interstate

Natural Gas Association of America.

Ms. Kim Smaczniak -- did I get that right? Smaczniak -- who is a partner at Roselle, LLP.

And Mr. Todd Snitchler, who is the president and chief executive officer at the Electric Power Supply Association.

So, again, we appreciate you all being with us today.

And, at this time, I will recognize the honorable Jim Matheson for 5 minutes for your opening statement. And, again, thanks for being with us today.

STATEMENTS OF JIM MATHESON, CHIEF EXECUTIVE OFFICER, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION; AMY ANDRYSZAK, PRESIDENT & CHIEF EXECUTIVE OFFICER, INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA; TODD A. SNITCHLER, PRESIDENT & CHIEF EXECUTIVE OFFICER, ELECTRIC POWER SUPPLY ASSOCIATION; AND KIM SMACZNIAK, PARTNER, ROSELLE LLP

STATEMENT OF JIM MATHESON

Mr. Matheson. Okay. Well, thank you, Mr. Chairman, and I just want to thank Ranking Member Castor and I want to thank all the members of the subcommittee for the opportunity to testify today.

As the CEO of the National Rural Electric Cooperative Association -- and you will hear me refer to that by the letters NRECA at times -- I have the privilege of representing nearly 900 not-for-profit electric cooperatives across the country, and they are owned and governed by the people that they serve.

Across the country, we know electric demand is surging. It is driven by a number of things: Growing communities, electrification of the economy, the power-hungry data centers, and new manufacturing plants. And, according to the North American Electric Reliability Corporation, electric demand growth is the highest it has been in over two decades. And, over the next 10 years, peak power needs are expected to rise over 18 percent. And it seems like there is a new data center being announced every day. That is going to drive that number higher. And, at the same time, critical always-available generation is being retired faster than it can be reliably replaced. As stated in the committee memo for this hearing, over 115,000 megawatts of baseload

coal, natural gas, and nuclear capacity are slated for retirement over the next decade.

So let's be clear. Our Nation really is at an interesting energy crossroads. Demand is growing and supply isn't keeping up, and the electric grid's reliability is what is hanging in the balance. Your leadership in our Nation's energy policy is as critical as it has ever been.

And, as you consider legislation that is going to affect the electric sector, I urge you to keep three key things in mind. First, electric reliability really is nonnegotiable. A resilient, reliable, and affordable electric grid is the mission of every electric cooperative, but it is also the cornerstone of our Nation's economy and energy security. A diverse energy portfolio but one that is anchored by always-available power generation is essential to this commitment and critical to meet skyrocketing electricity demand.

Second, critical generation resources are being retired faster than they can be reliably replaced, and that threatens reliability. Now, among the biggest drivers of this is the power plant rule that the EPA finalized last year. This rule targeting coal and natural gas power plants is going to reduce available electricity at the same time demand is rising.

Even hydroelectric power, a reliable and abundant source of carbon-free affordable energy, is under attack. As I testified to this committee last year, the Biden administration agreement, negotiated without any electricity provider in the room -- it aims to breach the four Lower Snake River hydroelectric dams in the Pacific Northwest which provide 3,000 megawatts of power and it underpins electric reliability of the entire region. So Congress should support the efforts to repeal the power plant rule and withdraw from the Lower Snake River dam agreement.

These two actions I just mentioned were, in my opinion, acted upon without any legitimate consideration about the impacts of those actions on electric reliability.

Someone or some agency needs to assume the role of advocating for reliability and performing as a watchdog that evaluates various Federal actions like these and how they affect reliability.

So NRECA appreciates the committee's work on the draft Reliable Power Act, which would be an important step toward addressing this concern and providing accountability for agency actions that could negatively affect grid reliability.

And the third item. New, reliable, always-available generation needs to quickly come online to meet skyrocketing electricity demand. Congress has got to improve and modernize the outdated and, quite frankly, dysfunctional permitting process for all types of projects with an eye towards the scale and scope of what is going to be required to meet this challenge, and Congress should support -- continue to support key programs of resources electric cooperatives use to build and maintain infrastructure and invest in that infrastructure to keep costs affordable for our consumer members.

Amid retirement of reliable generation, we also appreciate the committee's consideration of ways to expedite the interconnection of new dispatchable, always-available generation such as the GRID Power Act.

Look, providing reliable, affordable, and safe electricity -- that is the shared commitment of all the members of NRECA. Electric cooperatives are looking forward to working with this committee and others in Congress as you advance legislation to help fulfill this mission. Thanks again for the opportunity, and I look forward to answering your questions.

[The prepared statement of Mr. Matheson follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Thank you very much.

And, Ms. Andryszak, you are recognized for 5 minutes for -- am I saying your name correctly?

Ms. Andryszak. It is Andryszak. You are close.

Mr. Latta. Andryszak. I am sorry. Thank you.

STATEMENT OF AMY ANDRYSZAK

Ms. Andryszak. Either way, long and Polish.

So, Chairman Latta, Vice Chairman Weber, Ranking Member Castor, and members of this subcommittee, I am Amy Andryszak. I serve as the president and CEO of the Interstate Natural Gas Association of America, also known as INGAA, and it is a trade association representing North American interstate natural gas transmission pipeline and storage companies.

U.S. electricity demand is projected to continue growing due to increased electrification and expansion of AI and data centers. Estimates vary for exactly how many additional gigawatts of power generation capacity will be needed. However, the U.S. EIA projected that, by 2050, electricity net generation will rise by more than 45 percent.

In addition to its other uses, natural gas is the largest electricity fuel source, currently providing 43 percent of the electricity generated in this country. Demand for gas has continued to grow, and we are going to need more pipeline infrastructure to meet that demand. Current estimates show an additional 3.3 to 6 Bcf a day of additional pipeline capacity will be needed by 2030. We need to build more pipelines to meet the demand, but the status quo regulatory regime will not get us there.

We appreciate the committee's efforts to provide reliable and adequate baseload power and necessary infrastructure to meet these growing demands. INGAA supports and I am prepared to discuss five of the bills being considered today. INGAA's perspective on the proposals is included in my written testimony.

While the legislation before the committee represents an important step towards addressing the United States energy infrastructure problem, we need additional action. Congress should also enact comprehensive, statutory, durable reforms to the Clean Water Act, the National Environmental Policy Act, or NEPA, and judicial review of Federal permits.

The permitting system poses a particular challenge to interstate natural gas pipelines which span multiple States since they must obtain approvals from numerous Federal and State agencies. The onerous, often duplicative review of natural gas pipelines and the inevitable litigation relating to permits often make projects unviable. My written testimony details five projects that met this exact fate.

To address these issues, we call on Congress to enact the following changes: First, restore NEPA to its intended role as a tool for analysis. Despite Congress' clear intent to dictate procedure and not outcomes, NEPA frequently creates unnecessary delay and litigation risks which ultimately leads to the cancellation of projects.

Second, establish reasonable guardrails against misuse of Clean Water Act Section 401. The cooperative federalism framework created by Clean Water Act 401 works well in most States, but some States have misused section 401 to frustrate, suspend, or outright veto critical energy projects, especially interstate natural gas pipelines. Reforms should be made to Clean Water Act reviews to protect against the misuse of water quality certifications.

Third, promote certainty and durability in the Army Corps' Nationwide Permit

Program. Section 404 of the Clean Water Act prohibits the discharge of dredged or fill material into Waters of the United States without authorization from the Army Corps. Opponents of natural gas infrastructure have targeted the nationwide permits as a means of blocking natural gas pipeline projects. There are statutory changes which could be made to help protect the nationwide permits and promote certainty.

Finally, decrease litigation risk. Many of the recommendations highlighted in my testimony would provide clarity on the scope of judicial review for Federal permits and reduce litigation risk. Congress can further reduce or mitigate this risk by requiring clear and convincing evidence to support an agency's denial of a permit for any interstate gas pipeline or LNG export facility as well as establishing a timeline for agency action following a Federal court's remand or vacature.

INGAA stands ready to work in a bipartisan manner to enact comprehensive permitting reform provisions, and I appreciate the opportunity to testify before the subcommittee today. Thank you.

[The prepared statement of Ms. Andryszak follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Thank you very much for your statement.

And, Ms. Smaczniak, you are recognized. Am I saying that correctly?

Ms. Smaczniak. Smaczniak. Perfect.

Mr. Latta. Thank you. You are recognized for 5 minutes.

STATEMENT OF KIM SMACZNIAK

Ms. Smaczniak. Good afternoon, Chairman Latta, Ranking Member Castor, esteemed -- very good. Thank you -- esteemed members of the subcommittee. Thank you for the opportunity to testify today on this critical topic.

My name is Kim Smaczniak. I am a partner of the newly formed boutique energy law Roselle, but I am here in my personal capacity, not on behalf of my firm or any client. Prior to founding Roselle, I served as special counsel in the Office of General Counsel of the Federal Energy Regulatory Commission where I worked on, among other issues, FERC's reforms of the interconnection process, and I am going to start there with the critical importance of the interconnection process to reliable, abundant, and I would emphasize affordable energy.

At a time where we face tremendous growth for demand for electricity, we need all the generation and storage we can to move through the interconnection queue to deployment, but our interconnection queues are clogged.

A project built in 2008 spent on average 2 years to get through the queue, but by 2015, that rose to 3 years. And now, by 2023, the project lingered in the queue for 5 years. It doesn't take an engineer to tell you that math doesn't add up. We can't afford to wait half a decade for the electric infrastructure to power data centers, manufacturing plants, and electrification.

Now, FERC took an important step forward to fix the queues with Order No. 2023. I am proud of my role in supporting that work and believe it will speed up the interconnection process, but it is not enough. To meet the moment, we need further innovation. I applaud PJM, the grid operator serving 13 Mid-Atlantic States and the District of Columbia, for recently announcing it will use AI tools to streamline its interconnection process. At the same time, we need these kind of streamlining tools to get deployed sooner and not only after facing years of crisis.

RPTR KRAMER

EDTR ZAMORA

[1:14 p.m.]

Ms. Smaczniak. FERC must do more through its power to convene the industry and ultimately through rulemaking, as the Expediting Generator Interconnection Procedures Act of 2025 would require. But it would be a terrible mistake to only fix the interconnection process for certain types of generators, rather than advance broad-based solutions that benefit all commercially viable projects seeking to interconnect.

A technology-neutral and fuel-neutral interconnection process is the foundation to the competition and innovation that keeps energy abundant, reliable, and affordable. If we put the Federal Government in the position of picking winners and losers, we threaten all three.

I am particularly concerned by the approach offered by the GRID Power Act to move dispatchable generation only to the front of the interconnection queue. It is unnecessary, may well exacerbate reliability concerns, and puts energy affordability at risk.

First, FERC already has the power to approve changes to the interconnection process that would prioritize some generators over others, but it must do so subject to the constraints of the Federal Power Act, which means the discriminatory treatment of other projects in the queue must be justified. The GRID Power Act lowers the bar for such discriminatory treatment.

Second, moving generators to the front of the line that cannot be built quickly because of supply constraints will not improve reliability. According to reports by some of the Nation's largest independent power producers, gas turbines and other equipment face constraints that will impact the ability to deploy new gas plants prior to 2030. But

even if these resources could be constructed more quickly than projected, more dispatchable resources are not a one size fits all solution to threats to grid reliability. Diverse and region-specific solutions are needed.

Third, this approach undercuts energy affordability. We need an abundance of projects to efficiently move through the interconnection queue, not just a subset. But by picking the winners, we also make all the other projects in the queue losers. These projects face additional costs and uncertainty, especially if the dispatchable resources linger long in the queue, and then those costs are ultimately passed on to the energy bills of American families and businesses.

I will stop there, and I look forward to questions.

[The prepared statement of Ms. Smaczniak follows:]

******** COMMITTEE INSERT ********

Mr. Latta. And thank you very much for your testimony.

Mr. Snitchler, you are recognized for 5 minutes for your opening statement.

STATEMENT OF TODD SNITCHLER

Mr. Snitchler. Good afternoon, Chairman and Ranking Member Castor. Thank you for the opportunity to appear before the subcommittee this afternoon. My name is Todd Snitchler, and I am the president and CEO of the Electric Power Supply Association, or EPSA.

EPSA is the national trade association that represents America's competitive power suppliers that compete every day in regions of the country that operate competitive wholesale power markets. I would like to note that my testimony represents the position of EPSA but not necessarily the views of any particular member of the organization.

Our members own and operate approximately 175 gigawatts of generating assets, both dispatchable and intermittent, and storage resources which account for roughly 20 percent of the Nation's installed capacity. While our members own a variety of assets in different regions of the country, our members share a deep commitment to electric grid reliability.

I would like to highlight four aspects of my written testimony.

First, as the subcommittee has discussed at several hearings now, we expect to see substantial increases in electricity demand in the coming years. That seems to be universally accepted. We have a good idea also of the underlying drivers of that electricity demand, including data centers and artificial intelligence. But when and how broadly that demand will show up becomes less clear as forecasts extend into the next

decade. What we know for sure is that we will need more electricity and more power plants to produce that electricity.

Second, competitive power markets remain the most efficient vehicle to meet reliability needs while protecting ratepayers from unnecessary or imprudent investment. As I outline in my written testimony, competitive markets have proven to be the most efficient and transparent way to meet our Nation's electricity needs at the lowest cost while fostering innovation and reducing emissions. However, competitive markets also serve as a vital protection for electricity customers from inefficient investment.

If the variables underpinning expected electricity demand growth don't evolve as expected, competitive markets do not expose captive ratepayers to unavoidable charges. Markets put the risk for investment on investors, like our members, and not electricity customers, which helps to mitigate their costs.

Third, several of the bills before this subcommittee today share a common thread of recognize the importance of dispatchable resources. We don't see the possible solution as an either/or. EPSA's members believe in the both/and approach to solutions to achieve the optimal way to meet present and future electric demand. However, dispatchable resources' capacity that can respond to dispatch instruction and run between economic minimum and economic maximum today play a particularly important role. Grid operators value resources that can ramp up and down quickly and whenever the weather is not conducive to electricity generation.

Because these resources are so important, Congressman Balderson's GRID Act is appropriately targeted in an effort to provide flexibility and bring dispatchable resources online faster when system operators require it. As the connection queue process evolves in various regions, the need for dispatchable resources continues to grow, and the GRID Act appropriately creates the insurance policy that will prevent queue backlogs

from adversely affecting reliability.

As the subcommittee works through several bills assessing the appropriate quantity of certain capacity resources, we would urge members to be very specific about the definition of the resource that you are trying to incentivize or encourage. And while I am on the subject of reliability, the 118th Congress, we endorse legislation that would have, under certain circumstances, empowered the Nation's electric reliability organization to assess possible impacts of proposed Federal rulemaking on grid reliability.

In general, EPSA supports the concept of a process that would empower an expert in the electric grid to render an impartial assessment of potential adverse impacts of Federal rules.

Fourth, when members consider policies to encourage investment in the electric grid, the natural gas pipeline system must also be included. Power generators are now the largest customer of natural gas in the United States, and natural gas generation accounts for roughly two-fifths of the electricity produced in the country. We consider the natural gas supply network in many ways to be an extension of the bulk power system, and EPSA would urge members to remember that the reliability of the electric grid will largely depend on a robust natural gas supply network.

EPSA and our members maintain a strong commitment to reliability, and we stand ready to help the Nation meet its reliability goals in the growing electricity environment. And we appreciate the committee's focus on this critical issue, especially now.

Thank you again for the opportunity to be here today, and I look forward to your questions.

[The prepared statement of Mr. Snitchler follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Well, thank you very much for your testimony.

And that will conclude our witnesses' opening statements, which will now bring us to our members' questions to our panel. And I recognize myself for 5 minutes for questions.

And I am going to start with my standard question for everyone. Do we have to have more power or less power being produced in this country?

Mr. Matheson. We need more.

Ms. Andryszak. We need more.

Ms. Smaczniak. More.

Mr. Snitchler. More.

Mr. Latta. Thank you.

And another question that is always coming right behind it is always on the permitting question. And do we need to have permitting reform in this country?

Mr. Matheson. Absolutely.

Ms. Andryszak. Absolutely.

Ms. Smaczniak. Yes.

Mr. Snitchler. Without question.

Mr. Latta. Okay. Well, thank you very much.

Mr. Snitchler, if I can start with my other questions. The Electric Supply Chain Act, which I am going to introduce, will leverage the Trump administration's work to secure our supply chains and ensure DOE remains at the forefront of emerging developments affecting the power sector. As I mentioned during the first panel, GE Vernova, a leading producer of natural gas turbines, continues taking orders for 2028, a 3-year timeline, that aligns with historical norms.

Mr. Snitchler, how can DOE leverage industry expertise from companies such as

those you represent as required by my legislation, and how can it better inform policy decisions to keep the lights on or fueling innovation?

Mr. Snitchler. Thank you for the question, Mr. Chairman.

I think at the fundamental level, we need to remember a couple of things, first of which is the supply chain issues that are trying to be addressed are systemic and are not unique to the restructure market portions of the country. They are true for our vertically integrated. The public power and the co-ops, as well are facing many of the same issues.

How we address that, however, is critically important because we want to make sure that we can deliver the appropriate amount of energy and capacity when it is needed. And I think we need to be careful about how we are approaching this for two reasons. One, right now, we have a capacity shortfall, but we have energy to meet the needs of the system. So we need to be looking at how DOE can help identify technologies and opportunities that will allow us to meet the short-term time horizon of 1 to 5 years, let's call it, to keep the system reliable, while at the same time working with manufacturers and others to deliver the equipment that will be needed for the 5 to 10 to 15-year period where we will need both energy and capacity to power the system going forward.

So I think our members are committed to try and address both the short and the medium and longer term opportunities that will exist, and I think DOE's ability to leverage the power of the national labs and other innovative technologies that can be deployed in the system, I think, are fundamental to helping us get there in a reliable fashion that will allow us to both achieve the national security objectives we have but really the system reliability concerns that this committee is here to talk about.

Mr. Latta. Thank you very much.

Mr. Matheson, you know, we have been talking about base load dispatchable resources and the challenges we are having on the Federal and State policies that drive reliable and affordable energy. You know, in your opinion, are we meeting our needs for the future right now? Can we meet -- if you see what is happening out there today, can we meet the needs that we are going to have in the future when it comes to power?

Mr. Matheson. There is no question we face a challenge because, you know, last couple of decades, we haven't seen significant electric growth in this country and now we are. And so we know it is right in front of us, and it is going to take some real effort to build the infrastructure to meet these needs.

And when I say "infrastructure," it is not just generation. As the first panel also -- we need to enhance our transmission system as well to better move electrons around the country. That increases reliability. There is going to have to be investment at the distribution level in terms of more substation infrastructure as well. So there is a significant investment needed in terms of meeting this new demand that we are facing.

What we shouldn't do is dig ourselves in a deeper hole by shutting down already existing plants when they are still economically viable and we don't have reliable replacement. We need to take a portfolio approach. This is not an all or nothing. I thought Congressman Veasey did a good job in the first panel talking about that. There is a portfolio approach to how we should do this in terms of the type of resources that are going to contribute to reliability in this country. But this is an all hands on deck situation in terms of the demand we are facing right now.

Mr. Latta. Thank you.

And the, pretty much, same question, Ms. Andryszak. You cite in your testimony an EIA study that, by 2050, electricity needs are going to rise by 45 percent in the country.

Where we are today, do you think we can meet those needs?

Ms. Andryszak. No. I think we are going to need significantly more infrastructure of all types to be able to meet those needs. Obviously, my expertise is within pipelines, but we need all different fuel sources, and as has already been noted on this panel, we are going to need different ways to move those fuel sources around the country, both pipelines and power lines.

Mr. Latta. Thank you.

Well, it has been mentioned, not only in this panel but in the last, you know, when we are looking at not only needing to have more power in this country but also on the permitting, we got to get this done because time is really of the essence, and so it has got to get done.

And my time has expired. And I will now recognize the ranking member, the gentlelady from Florida, for 5 minutes for questions.

Ms. Castor. Thank you, Mr. Chairman.

Ms. Smaczniak, I so appreciated you starting off with emphasizing affordability, because when I talk to my neighbors back home, the cost of living is just -- it is just knocking them backwards. And it looked like the economy was coming for a soft landing after we had been through this inflationary period, and now it is just, gosh, socked with tariffs, like, these import taxes that are causing additional chaos and raising costs. And then the Trump administration freezes the important rebates for many neighbors to afford their electric bills. And even going after LIHEAP that -- for working-class people just to afford their A/C bills or their heating bills.

But most consumers don't understand -- okay. Traffic jam at the interconnection queues is a big issue for them as well. Could you put it in context for the everyday American why it is important to address these barriers to getting energy onto the grid?

Ms. Smaczniak. Yeah, absolutely. And I think of my parents as the audience who are the everyday American retirees struggling to pay their bills.

And the simple answer is you need to be able to build very quickly and without an extra expense. The supplies that you need -- if you don't have the supplies -- you know, if you don't have enough eggs, they cost more. It is the same thing when you build generators. And we have a process that has layers of complexity because we haven't invested in transmission infrastructure.

So that is -- fundamentally, we have a shortage in the ability to interconnect power plants very quickly and in a way that is clear what those costs will be. And that lack of clarity over the costs and that lack of access to the infrastructure makes it more expensive and take longer. And if you are a project developer, the longer that you have to wait in that line, the more expensive it is. You have a lot of costs to carry.

So all of that contributes to the problem that we face. And as long as we are not able to build those resources, things are going to be more expensive at the other end.

Ms. Castor. So I have learned a little bit in Congress over time on Energy, and that is why I put together the Expediting Generator Interconnection bill that I hope we can move forward. How will that help smooth the addition of energy resources onto the grid?

Ms. Smaczniak. Well, I think we need to continue to innovate in our interconnection queues. FERC did an important first step and looked at some of the best practices across the country. They are not enough given the moment that we are facing with growing energy demand. And so we need to do more. And so I believe this bill pushes on FERC to look at a number of innovative practices and ways to make the transmission process or the interconnection queue process more transparent.

So it is clear what the costs will be. It is clear for developers where they should

locate in order to avoid costly transmission upgrades, and then also just makes the process faster for all generators. And I think those are the kinds of solutions that we need in order to solve the problem.

Ms. Castor. Thank you.

And, Mr. Matheson, it is good to see you.

Mr. Matheson. Good to see you.

Ms. Castor. I so appreciate everything that our electric co-ops do to provide affordable and reliable energy. Co-ops need access to affordable financing, though, to maintain their electric distribution lines and other grid facilities.

Democrats put in some funding to help modernize the grid through the GRIP initiative and then through USDA as well, under New Era and PACE and REAP programs. But unfortunately, the new administration came in and they froze so many of those dollars that go to help make life easier for co-ops and all of their customers.

But now I understand that both departments -- we have heard testimony this morning -- they are starting to unfreeze some of these dollars. But I hear that USDA is attaching conditions to funds that recipients are already entitled to. I mean, it is so important for everyone to adhere to their contracts, to keep their word.

So tell me what is happening out there and what will happen if the Feds do not keep their word through these contracts?

Mr. Matheson. Sure thing. Appreciate you asking those questions because these are really important programs to electric cooperatives. And let's start first with the infrastructure programs like GRIP where hundreds of co-ops applied for these fundings. As a national association, we organize consortia for smaller co-ops to bid together. We are managing five large consortia projects, and GRIP is in an area where we are doing that.

I am pleased to say that at the initial announcement of freezing, those projects are moving forward. And they are important in terms of investment and resilience in the grid of electric cooperatives.

Let's shift over to USDA now where -- in the Inflation Reduction Act. The New Era and PACE programs are set up and specific -- the New Era was specific for electric cooperatives, roughly 9.7 billion for clean energy projects. There was a pause of 30 days where electric cooperatives are given opportunities to modify their proposals on a voluntary basis if they wanted to. That 30-day process is about to come to a close. But it was voluntary. And I am pleased to note that Secretary Rollins indicated we are looking to move forward with these projects, and that is the premise upon which we are approaching this issue right now. Because those are important investments. The people have made a decision for their own local communities back home.

Since you mentioned Inflation Reduction Act, I got to mention one more thing. It included elective pay, which gives access for both municipal utilities and electric cooperatives to have access to the tax incentives to promote investment for for-profit companies. That is very important for us as well.

Ms. Castor. I agree. Thank you so much.

Mr. Latta. Thank you. The gentlelady's time has expired.

And the chair now recognizes the gentleman from Ohio's 12th District for 5 minutes for questions.

Mr. Balderson. Thank you, Mr. Chairman. Thank you all for being here today.

Let's start with Mr. Snitchler first. Thank you,

Mr. Chairman, from the great Buckeye State.

According to the Lawrence Berkeley National Lab, at the end of 2023, almost 2,600 gigawatts of generation projects were sitting in the interconnection queues

nationally. That is more than double the existing generation currently on the grid.

Recently, the median wait time for projects to move through interconnection queues across the Nation increased to 5 years, delaying critical projects from being built and connected to the grid.

Chairman Snitchler, I greatly appreciate EPSA's support for my GRID Power Act, which is being considered today. In your testimony, you note this bill requires grid operators and transmission providers to provide a demonstration of need for the prioritization of certain generation projects that provide dispatchable power. The operators making the request must provide FERC with information on how the projects will improve grid reliability, provide a process for public comment and State court engagement before the proposal is submitted to FERC, and must provide regular reporting to FERC on the state of grid reliability and resiliency.

Lastly, the bill requires FERC to review and update regulations required by the bill to ensure they are effective and relevant to involving challenges to grid reliability.

Chairman Snitchler, can you discuss how this bill provides proper transparency and guidance to FERC so they can consider these proposals and get new generation connected and built faster?

Mr. Snitchler. Thanks for the question, Representative.

Yes. The bill clearly sets out a process for what amounts to an emergency relief valve. It is not a permanent decision that, once it is made, will continue in perpetuity. It doesn't determine specifically what the resources are that would be required. It solicits input and requires the system operator to first have identified that there is an emergency or that they have a reliability concern. It then requires that FERC evaluate and determine that that is correct, and then have a process by which they would then go through and ultimately determine that that is correct and that the -- then the resources

would be allowed to be moved ahead.

What it seeks to do, I think, is a very balanced approach to try and address a critical issue in a way that does not immediately advance any one project to the front of the line and, in fact, takes a measured approach to try and ensure reliability over time.

It is similar, in many ways, to the RRI decision that FERC just issued, where two of the FERC commissioners said, we are voting for this because it is a one-time decision to try and address the concerns that we have about reliability. This has a very similar flavor in trying to address the occasions as they arise in a way that will allow the emergency to be relieved and then go back to business as usual.

And I think it is important to note there has been a lot of discussion around queue reform and what is happening in various parts of the country. PJM is kind of the poster child for issues with queue reform, and they are nearly through their queue reform process. They have pushed, I think, 50 megawatts -- or 50 gigawatts are already through the system, waiting to be constructed. There is another 60 gigawatts that are nearly through the system.

And it is important to note that during the process, approximately 90 gigawatts of projects that were in their queue have dropped out of the queue, which means that is 90 gigawatts that were holding spots in the system that have made it difficult for other projects to get through.

So back to your question, Representative. We are trying to address emergency conditions in a way that is thoughtful and straightforward and doesn't choose winners and losers but requires the grid operator to identify and the regulator to agree that there is a situation that needs to be addressed.

Mr. Balderson. Thank you very much.

Moving on. Congressman, good to see you here this morning.

Mr. Matheson. Good to see you.

Mr. Balderson. My next questions are for you. You and I have discussed the Biden EPA's Clean Power Plant 2.0 in the past, and I agree with your organization's strong concerns with that rule. I am extremely grateful for Administrator Zeldin announcing last month that the EPA is reconsidering that role, which would force our most reliable power plants into early retirement.

Recently, NERC had stated that the majority of the Nation's bulk power system is at high or elevated risk for capacity shortfalls over the next 5 years. So I am curious. At any point during the rulemaking process for the Clean Power Plant 2.0 last year, do you think EPA seriously considered the negative impact the rule would have on the reliability of the electric grid?

Mr. Matheson. I can't imagine that there is any serious consideration because this puts so much reliability at risk. And that is not just me saying that. Let's acknowledge that once the litigation started, all of the RTOs together, collectively, filed a brief agreeing that they should withdraw this rule because they raised concerns about reliability.

So I heard in the first panel during statements from -- in the opening statements that we should listen to those grid operators because they are the ones responsible to make sure we have a reliable operated grid, and they all -- and it is unusual for them to do this, by the way. They all filed the brief together saying, we think this rule goes too far based on reliability concerns.

Mr. Balderson. All right. Thank you very much. I have a follow-up question, but I will submit it.

Thank you, Mr. Chairman.

Mr. Latta. Thank you much. The gentleman's time has expired. He yields it

back.

The chair now recognizes the gentleman from California's 50th District for 5 minutes for questions.

Mr. Peters. Thank you, Mr. Chairman.

I was astounded. I just heard that 2,600 gigawatts is the amount waiting to be connected. That is 2,600 nuclear power plants. I mean, this is an enormous amount. And I would just say that the first connection we should make is the one that is ready, and I am prepared to help do that. I certainly support Ms. Castor's bill, but I would reiterate again that the grid is too small, too old, and too dumb, and we have got to make investments, because it is not really a matter of the order of hooking it up or anything like that if you can't hook it up to something that is going to transmit electrons.

So a big obstacle for that is obviously permitting reform, and I was hoping to ask Ms. Smaczniak and Ms. Andryszak -- whose names rhyme, which is kind of funny -- about a linear infrastructure. So we talk a lot about natural gas projects and transmission projects that go across long distances to move electricity or power.

Maybe you can tell me a little bit about how they are permitted differently, what are some of the common permitting barriers that we can learn from? And maybe we will start with you, Ms. Andryszak.

Ms. Andryszak. Thank you, Congressman. Certainly appreciate that question.

We face a number of challenges in the construction of interstate natural gas pipelines because of the permitting challenges. We first receive our certificate of public convenience and necessity from the FERC. And that isn't really where we are finding our problems. We are really finding our problems with getting the additional agency or State permits that we get as part of the cooperating agencies with FERC. That is really where we are finding the delays and the holdups. And then in addition to that, we are

finding significant challenges with litigation at every step of the approval process.

Mr. Peters. Is it mostly NEPA?

Ms. Andryszak. So there is a lot of legal challenges to NEPA. In terms of the challenges in getting permits, it is the State Clean Water Act and air permits that typically hold us up.

Mr. Peters. Right. Ms. Smaczniak?

Ms. Smaczniak. So let me simplify. If you have a big interstate pipeline, you get to go to FERC. One-stop shopping for your certificate. You get cited through one entity.

You have a multistate -- you know, big transmission wire project through multiple States, you have to go to each State. And each of them have different requirements. Each of them have -- going to have different potential environmental clearances and so on. And so there is tremendous complexity to that. And any one of those say no, your project can die. And so you have one very immediate difference in those efficiencies.

Now, when it comes to some of the permitting challenges, you know, we -- you always are going to need an agency that is staffed up and has the resources. One of the reasons FERC is so good at what it does is it does this over and over again, and it has the concentration of specialized staff that you need. You may not get that in the State agency that you are going to if you are building a transmission wire.

So you see some of the big differences. And yet, at the end of the day, you do need some streamlining. You need those environmental reviews to happen efficiently so we get to an answer and we know can we build a project, because no one wants to wait around and have that uncertainty hanging over your project.

Mr. Peters. But you think for high voltage and regional transmission, sort of a one-stop shop model like FERC would be helpful for that. Is that right?

Ms. Smaczniak. I think big, high-voltage transmission, it is a national priority. We need it for the reliability of the grid. It is absurd that we do not have Federal authority to be able to cite those.

Mr. Peters. Right. And for costs. I mean, obviously, you can move a lot of electrons, respond to consumer cost issues as well if you have a better network, right?

Ms. Smaczniak. That is right.

Mr. Peters. Mr. Matheson, thanks so much for coming back. It is great to see you in this building again.

Maybe just in the last minute. You worked in this committee. If you were sitting up here, what do you think you would do to sort of help us build out a transmission network that meets the challenges that we face today as a country?

Mr. Matheson. Well, I think it is one of those great issues that shouldn't fall on party lines. For crying out loud, we all can agree we need more transmission in this country and we can all agree the current process doesn't work. And we can talk about this agency isn't doing this or that agency isn't doing that. But Congress -- it has been a long time since Congress has taken a look in a holistic way at various environmental statutes in terms of how permitting takes place. And I would like to think in the moment we are in, especially when it is hard to permit any of the -- you talk about transmission, but whether it is a solar project or gas project, it is hard to permit these days.

So I think we are developing momentum right now. We got to have a candid conversation about what is a way to make a practical, predictable -- we are not getting rid of environmental review, but let's make it where it is transparent, predictable, and we have a thumbs up or thumbs down, move on.

Mr. Peters. Right. Well, I think that is what a lot of us are interested in doing,

and I really appreciate you all being here today and look forward to continuing working again.

Mr. Latta, I hope we can bring in some more of those transmission discussions as part of this effort going forward. Thank you.

Mr. Latta. Well, thank you very much. The gentleman yields back.

And the chair now recognizes the gentleman from Georgia for 5 minutes for questions.

Mr. Allen. Thank you, Chairman Latta, for holding this important legislative hearing. I want to thank the witnesses on our second panel for giving us your expertise on this important subject.

I mentioned in the first panel how critical it is to utilize all energy resources to meet our growing energy needs. We need to make sure we have more power on the grid and certainly not less. Natural gas is key in that building up our natural gas pipeline infrastructure is critical.

Ms. Andryszak, in previous hearings the subcommittee held this year, we heard concerns of natural gas availability for energy demand growth given pipeline infrastructure constraints. What are some of the biggest statutory hurdles to interstate pipeline development?

Ms. Andryszak. So the biggest hurdles we face are securing all of the necessary permits from State and additional agencies that goes along with the overall FERC certification process. So it is securing those, and then it is the fact that we face legal challenges, litigation, at every stage of the permitting process.

Mr. Allen. Mr. Snitchler, in your testimony, you mentioned how market signals incentivize generational development. However, in regions like the Northeast that lack critical gas transmission infrastructure, is the market able to even respond to those supply

demands due to a lack of pipelines?

Mr. Snitchler. Representative, thanks for the question.

The short answer is yes, but the longer answer is it is very difficult. So if you are not able to access the resource that you think you need, you are forced to look at other alternatives. And the issue of affordability or cost effectiveness has been raised a number of times today, and that does have an impact on the ultimate cost that consumers pay.

And that is true, again, whether it is a restructured market or it is a vertically integrated portion of the country, that if you have a restricted access to the commodity that is the least expensive, most viable alternative to produce electricity at the time and for the foreseeable future, yes, that becomes a problem for planning and for investment decisions, because you need the appropriate market signals in order to drive that 30- or 40-year investment.

Mr. Allen. Would additional pipeline capacity lower prices for consumers during the peak seasons in these tight markets? Can you explain how that would be done?

Mr. Snitchler. Sure. Thank you for the question.

I think it is clear that if there is a greater access to the commodity, which is typically available at lower cost, when you look at where the constraints and supply are, specifically in northeast Pennsylvania, there remains a large volume of gas that could find a home in the Northeast. That would allow generators who utilize that resource as well as other customers on the pipeline system to be able to have lower cost of gas, which means that in turn reduces overall power prices, which -- and then goes into your ultimate retail bill at a lower rate than it would if you have got higher prices that you are having to address. So it is kind of a linear function of the access and the price.

Mr. Allen. Plus it burns 42 percent cleaner, which is a big reason why we have

reduced our carbon footprint.

Mr. Matheson, you mentioned in your testimony the need for reliable base load power to meet the growing energy demand. Plans to take away natural gas and coal, I believe, will harm availability. Can you share what the characteristics of natural gas and coal -- why the characteristics are so critical to reliability and what the harms would be to having some of this generation retire?

Mr. Matheson. Well, I think it is in the term of "dispatchable," or the term I like to say is "always available." It works great in the portfolio. If you are going to have renewables, having it anchored by always available makes the value of the renewables more so as well. And it could be natural gas, it could be coal; but it could be nuclear and it could be hydro. But they are always available. That is key in terms of maintaining reliability over a 24/7/365 calendar.

Look, for 340 days of the year, this country has got plenty capacity. It is those 25, right?

Mr. Allen. Right.

Mr. Matheson. And you can take a look at the great example just -- I will give you one with hydro in the Pacific Northwest where two Januarys ago we had record cold, and the wind production went from over 100 gigawatts down to nothing. And the hydroelectric dams out there in the Pacific Northwest kept the heat on in bitter cold for hundreds of thousands of people.

So having that always available generation matters in terms of those crisis situations.

Mr. Allen. Good. Thank you. Yes. Thank you so much for sharing your expertise with us.

And, Mr. Chairman, I yield back.

Mr. Latta. Thank you. The gentleman yields back.

The chair now recognizes the gentleman from New Jersey's Eighth District for 5 minutes for questions.

Mr. Menendez. Thank you, Mr. Chairman.

First, I want to second Ranking Member Pallone's frustrations with what is happening back in New Jersey. It is unacceptable that PJM's inability to add generation to its grid will increase prices on New Jerseyans. And this issue isn't unique to PJM. Midcontinent Independent System Operator, MISO, which services the Midwest, revealed earlier this week that its recent capacity auction saw prices explode as well.

And one thing I want to emphasize is that we want to get projects on the grid. The interconnection process is absolutely a part of that, and a natural one, given FERC and Congress's immediate jurisdiction. But getting projects on the grid also includes financing, local permitting, and supply chain issues that all must be addressed as well.

Ms. Smaczniak, according to a recent MISO filing, supply chain shortages and a lack of transmission are preventing projects from connecting to the grid even once they have gone through the interconnection queue and signed agreements. Would allowing projects that are facing supply chain issues to jump the queue actually get them online?

Ms. Smaczniak. No. That would not help. If you can't have the equipment to build the plant, it is not going to help to move it to the front of the line.

Mr. Menendez. I agree.

As we have heard repeatedly this year, there is a gas turbine shortage. So while I appreciate that my colleagues think that natural gas power plants are somehow the only solution, the bills we are discussing here today wouldn't actually help them get online any faster. Gas turbine manufacturers have been clear that if you don't have an order in for a new turbine now, you are not getting it this decade.

So quickly, I want to also shift to the bill on coordinating pipeline permitting. Ms. Smaczniak, as you and our other witnesses here today mentioned in your testimony, an earlier iteration of this bill had a provision that would strip States of their ability to examine pipelines under the Clean Water Act. Can you talk about State authority under the Clean Water Act and why it is so important to keep this authority with the States?

Ms. Smaczniak. Yes. Under existing law, States have the ability to review discharges that result from construction of these projects and determine is it going to impact their State waters. That is really important. The States are the ones who are closest to the needs of their residents. They can consider the public health impacts and the livelihood impacts of those discharges.

Now, the bill would move that authority from States to determine what are the impacts of those construction projects to the Federal Government, to FERC, which lacks the expertise, as was testified in the first panel, to be able to assess those. It is not close to the ground. It doesn't understand the uses of those waters.

And I believe that violates what the fundamental cooperative federalism approach of the Clean Water Act is and really puts States in a position where they can't protect their residents. And that concerns me.

Mr. Menendez. I appreciate that.

Well, thank you all so much, and I yield back.

Mr. Latta. Thank you. The gentleman yields back.

And the chair now recognizes the gentlelady from Tennessee's First District for 5 minutes for questions.

Mrs. Harshbarger. Thank you, Mr. Chairman. Thank you to the panel for being here today.

I will start with Ms. Andryszak. I am going to expound on a question that my

colleague had. We know the demand for energy will only continue to rise. However, when we look at the supply, power plants are being closed for early retirement and new projects face a permitting process that is mired more and more with lengthy approval timelines and judicial review schedules.

So I guess this is more for your members. Where in the process do your members encounter the most unpredictability for infrastructure projects, and what should Congress do to restore efficiency to the review process?

Ms. Andryszak. Absolutely. So our greatest challenges are securing some of the clean water and clean air permits. And I am happy to give a perspective on changes to permitting the Clean Water Act, if you would like.

We additionally also face challenges with litigation. NEPA is the most litigated Federal statute. And so one of the things that we are advocating for is clarifying some of the language under the NEPA statute so that it is very clear what congressional intent is, and it would make it much more challenging -- it would make it more difficult to challenge a Federal agency's decisions around NEPA.

Mrs. Harshbarger. Well, I understand about clarification of language, so -- how can enhancing collaboration between Federal and State agencies help expand our natural gas pipeline network safely and efficiently?

Ms. Andryszak. Yup. Absolutely. Thank you for the question.

So, again, FERC is the lead coordinating agency for these environmental reviews, but we do see that States often delay and frustrate the process. And I think that having permits move in a concurrent manner would help speed up the process, make it more efficient. And ideally, the way the improv- -- the bill is structured so that there is more transparency around the process and whether some of the cooperating agencies, if they are slowing the process down, it would become more clear. That would be a positive

step.

Mrs. Harshbarger. Yeah. And I will get back with you on your ideas about the clean water and clean air.

Congressman Matheson, thank you for your testimony highlighting just how damaging the EPA's Clean Power Plant 2.0 would be on energy reliability. And thank you for mentioning that, under President Trump, we are seeing this rule be reconsidered.

As member-driven nonprofit organizations, cooperatives would be uniquely burdened by these expensive and unrealistic mandates. As administrations often differ significantly on policy, how might providing FERC the authority to review other agencies' regulations that impact bulk power systems affect energy reliability and hoist up power rates for electrical co-ops?

Mr. Matheson. Look, I think the idea that we need to make sure we are considering reliability across agencies, as I think I said in my written testimony, we need a watchdog. We have people with expertise. There is FERC and there is NERC, and they all kind of have their role. But then you get different Federal agencies doing their own thing in their jurisdiction, and electric reliability isn't even considered. And the Power Plant rule is a great example, and I can give you a lot more in other Federal agencies.

Mrs. Harshbarger. Well, we probably need you to.

Mr. Matheson. So -- well -- all right. I will give you two quick ones. Bureau of Land Management and Forest Service posted conservation rules in the last couple years where it limits access to existing rights-of-way to go and clear danger trees to prevent wildfire risk in the West. That is not a good thing, using existing rights-of-way --

Mrs. Harshbarger. That is not a good thing.

Mr. Matheson. And we ought to be able to go and prevent wildfire risk.

So again, people with one goal, an agency that has one set of viewpoint, isn't

thinking about electric system reliability or impacts on that. So I am all for looking for ways to create an awareness and some form of watchdog that is more effective than what we have had before because, clearly, things are slipping through the cracks.

Mrs. Harshbarger. Yeah. And I have a farm in Tennessee, in east Tennessee, that -- we use a co-op, and it is -- listen, I could go into some stuff too about that. So thank you, sir, for that answer.

Mr. Matheson. Thank you.

Mrs. Harshbarger. Quickly, Mr. Snitchler. You mentioned why it is critical to maintain our existing dispatchable infrastructures and wait to bring on new energy infrastructure. How do we take advantage of the generation assets we already have, and what regulatory flexibility would help bridge the gap as new dispatchable generation comes online?

Mr. Snitchler. Thanks for that question, Representative.

Clearly, we do need to keep what is already generating electricity on the system because we are -- as has been previously noted, we are at the intersection of rising supply and shrinking -- or sorry. Strike that. Reverse it. -- rising demand and shrinking supply. And we need to address that. And the fastest way to do that is to put the shovel down and allow us to keep what we have.

Then how you are going to address the problem, is it really is an all of the above approach. There are some resources that are going to be available quicker than others. There are some resources that are more controllable than others. And there are some resources that are zero emitting, if that is your objective. All of them are on different time horizons. All of them have different costs associated with them.

Our members look at the market to provide the appropriate signal to allow them to respond quickly. And when the market arbitrarily reduces the market signal because

there is concerns about prices, which are a valid concern, but when you take away the signal to invest, it makes it impossible for people who look for that price signal to know now is the time for us to invest.

Mrs. Harshbarger. Okay. Thank you for that answer, and I yield back.

Mr. Latta. The gentlelady's time has expired.

And the chair now recognizes the gentleman from New York's 20th District for 5 minutes for questions.

Mr. Tonko. Thank you, Mr. Chair.

Ms. Smaczniak, I would like to ask you about the Power Plant Reliability Act. Am I correct that there are already existing Federal Power Act authorities that can and sometimes are used in emergencies to ensure the reliability of electricity system?

Ms. Smaczniak. That is correct. We have numerous authorities under the Federal Power Act that address the reliability, and they are layered under each other. And so there are emergency ones. We have the Department of Energy that has section 202(c) authority when there is a temporary need to keep a plant running. We also have already, within many markets, we have opportunities to, outside of the market, ensure so-called reliability must-run contracts where we recognize that there is going to be a gap and a reliability need that needs to be filled for a longer period of time. And there is provision for that outside the market.

So these are all mechanisms that already exist to address reliability concerns.

Mr. Tonko. Thank you. And it appears that this proposal is attempting to mimic some of those tools that are already available to help support reliability, such as section 202(c) of Federal Power Act and reliability must-run orders. Is that a fair assessment?

Ms. Smaczniak. That is my understanding, except they would be much more

costly under this bill, this version of that authority, because it, by default, appears to set an expectation of running those plants for 5 years at a time regardless of the reliability need.

Mr. Tonko. Thank you. And can you discuss why a generating unit might need to enter into a reliability must-run contract in the first place? I am guessing at least some of the time it is because, absent such a contract, that unit would not be able to compete economically.

Ms. Smaczniak. Typically, this is a case in which there is a unit that is uneconomic and considered it is planning to retire. But then when you look at the transmission, there are certain reliability concerns that would result from that retirement. And so there is a need for some upgrades, some additional changes to the grid to allow that retirement.

And so during that period while that construction occurs, these contracts allow for that gap and ensure -- meanwhile, you have some bigger picture mechanisms to ensure we are continuing to bring new resources in so we are not expecting that we are just going to keep retiring plants on the grid indefinitely. So we expect these market mechanisms to keep new resources coming in, which are cheaper ways to meet those needs.

Mr. Tonko. And are these reliability must-run contracts typically expensive?

Ms. Smaczniak. Yes. Yes, they are expensive.

Mr. Tonko. And under this proposal, compelling a unit to operate would also compel consumers to pay for that asset. How might Americans' energy bills be affected by requiring uneconomic power plants to continue to operate over a long stretch of time?

Ms. Smaczniak. Well, we know from research from Rocky Mountain Institute that looking at where we have uneconomic coal being dispatched, that the costs run to

the billions of dollars per year already. And so if this authority were available, we would expect those costs to go, again, much beyond that number. And so I think that is just an absurd amount to pay for units that may not be needed at a time when energy prices are already rising.

Mr. Tonko. So if these types of arrangements can have big-cost implications, it looks to me, though, it makes sense that these orders are used sparingly.

Ms. Smaczniak. That is right.

Mr. Tonko. Unlike the Federal Power Act, this proposal doesn't require an emergency situation. Is that correct?

Ms. Smaczniak. No. It actually extends the authority beyond what you would see in section 202(c), for example, in order to look and say, Is there a possibility that this could be needed in the next 5 years? And if there is any possibility, that triggers the authority to issue one of these orders.

Mr. Tonko. Okay. And section 202(c) of the Federal Power Act also has requirements about making certain the operation of facilities is done safely and in accordance with Federal, State, and local laws. Is that correct?

Ms. Smaczniak. That is correct.

Mr. Tonko. Okay. And none of those requirements were carried over into this proposal.

Ms. Smaczniak. That is correct.

Mr. Tonko. So, Mr. Snitchler, I know independent power producers want to be able to compete, and that means providing reliable electricity at the lowest price. This proposal would require a term of 5 years, which seems like quite a long time commitment.

So is there any evidence that a guaranteed 5-year reliability must-run order would

be appropriate or would the length of that contract have distortionary impacts on the market?

Mr. Snitchler. Thanks for the question, Representative.

First and foremost, RMRs are a suboptimal solution for the situation that has evolved or is happening on the system. And so our members are sometimes asked to participate in an RMR arrangement. But what the RMR is actually signaling is that the unit should retire and there is a need for new resources to be added to the system.

So the potential for RMRs to frustrate the development of new resources is a real concern. The potential cost impacts are significant, though I would caution that typically an RMR is cost of service plus a rate of return, which is more like what a traditional vertically integrated utility would get. So it is mitigated. It is not some unlimited cost that would be required.

But the duration should really only be as long as it is needed to resolve the transmission constraint and allow the solution to be implemented. And then the resource should be able to leave the system.

Mr. Tonko. Okay. Thank you so much.

Ms. Smaczniak, I had one other question for you, but I see my time is exhausted, so we will get that to you.

And with that, Mr. Chair, I yield back.

Mr. Latta. Thank you. The gentleman's time has expired. Yields back.

The chair now recognizes the gentleman from Kentucky, the chairman of the full committee, for 5 minutes.

The Chair. Thank you, Mr. Chair. Thanks for having this hearing, this panel. Thank all of you for being here today.

So, Ms. Andryszak, we need to expand energy capacity, especially gas capacity,

and for affordable energy to heat homes, to power businesses, and keep the lights on. So I am just asking, what do you think the critical steps Congress can take to make sure investors have the regulatory predictability and certainty to make decisions to build out this capacity, including regard to the Clean Water Act?

Ms. Andryszak. Thank you, Chairman. I really appreciate that question.

So INGAA has advocated that we need statutory reforms to the Clean Water Act, to NEPA, as well as judicial reforms. And what we are advocating for would essentially put more clarity around some of the decision-making that is incorporated into the statutes, and it would put in place some additional set timelines, particularly for judicial review, so we can stop opponents to pipeline infrastructure just dragging out, sort of, projects needlessly.

You specifically asked about the Clean Water Act, and I know that has been a discussion today. And it is an important discussion because that is one of the areas where we see real delays in getting our pipeline projects -- I am sorry -- our pipeline permits. Some States, not all, but some States use the water quality certification process to slow down project approvals.

There was a discussion earlier about a provision that had been part of legislation last Congress related to the Clean Water Act 401. And what that provision would have done, States would have still been able to maintain their role in reviewing water quality certifications. It just would have changed. They would have been now doing it in a consultative manner as part of the FERC-led NEPA process. However, the States -- under the way the legislation was written, the States still would have been able to recommend terms and conditions related to water quality that FERC could incorporate into the FERC certificates if they choose to do so.

The Chair. Okay. Thank you.

And, Mr. Matheson, you had some of my -- your members in town that are my constituents, and I am their customer, so kind of a good relationship to have them here. And I talked about in my opening statement and talked about there with them is that this probably is an exciting time as the 1930s when they first came into being as co-ops to be involved in energy because of the demand of energy just exploding.

And so if we don't expand energy, if we don't expand opportunity in the next 3 to 5 years, then we have a limited supply. And we know the demand is coming. If the demand doesn't come, it means that we have chosen to AI somewhere else. And that is not a choice we can accept as Americans. And so what could Congress do the most to give your members the chance to expand to meet the demand that is coming?

Mr. Matheson. Appreciate that.

The Chair. Because you know it is going to raise the prices for people in their houses. So we don't want to do it to bring these big energy consumers on board.

Mr. Matheson. I appreciate that, Mr. Chairman. And we think the AI and the data centers are going to disproportionately be in rural areas, by the way. A lot of land there available, and electric cooperatives serve 56 percent of all the land in this country. So we think we are really a big part of this.

Listen, I think we can help on the permitting side, number one. We had a lot of discussion on that. I know the permitting conversation is complicated. There is multiple committees in Congress with different jurisdictions. We haven't even talked about things like the Endangered Species Act, which also affects permitting.

So there is a whole series of Federal statutes that have got to be looked at for permitting reform. Again, I think there is a consensus in a bipartisan way we ought to be doing that right now. That would be a big factor in giving this more certainty and clarity on the timing it takes to move ahead with these projects.

The Chair. Okay. Thank you.

So, Mr. Snitchler, you represent people that do on-demand dispatchable energy. What can we do to produce -- what can Congress do to help your folks produce more energy so that the big consumers coming on board don't crowd out people at home?

Mr. Snitchler. Mr. Chairman, thank you for the question.

I think there is a couple of things that immediately come to mind, the first of which is -- and I won't belabor it. It is been talked about a lot -- is permitting and siting reform. The ability to move quicker and be able to deploy the resources faster are better, and that will help us get where we need to be.

And I know that we also have to expand infrastructure on both sides of the meter. And by that, I mean the pipes have to be expanded and the wires will have to be expanded in order for us to deliver molecules that are needed to create the electrons that are going to power the system on a dispatchable basis. No, natural gas is not the only fuel that will be utilized in order to power the system going forward, but right now, it is the fuel that helps to back up and make sure that the system operates reliably. And every study that we have seen has suggested that even in a high renewables world in the future, you are going to need more gas, not less, for those times when the system really needs it, to ensure that it can operate reliably. And that is why you are going to need both pieces of that puzzle.

The Chair. Thank you. My time has expired. Thank you for your indulgence, Mr. Chair, and I yield back.

Mr. Latta. Well, thank you very much. The gentleman yields back.

And the chair now recognizes the ranking member for a point of personal privilege.

Ms. Castor. Well, thank you, Chair Latta. Thank you for recognizing my point of

personal privilege.

I want to welcome to the Energy and Commerce Committee Energy Subcommittee the students from the Bayaan Academy back home in Tampa Bay. I am sorry I couldn't meet you on the steps for a photo because we are here doing policy. This is a committee meeting where we are talking about America's energy system and how we provide affordable reliable power to power our lives. So I am grateful for you all being here. Thank you. Thank you.

Thank you, Mr. Chairman. I yield back.

Mr. Latta. Thank you. The gentlelady yields back.

And the chair now recognizes the gentleman from Massachusetts' Fourth District for 5 minutes for questions.

Mr. Auchincloss. Thank you, Chairman.

Ms. Smaczniak, in your comments on the GRID Power Act in your written testimony, you described grid reliability is a team sport, something that comes from a full system, not just individual components like generators. I know you commented on it in your opening testimony as well, but we have since heard about it from Mr. Snitchler and others, so I wanted to give you an opportunity to respond to what you heard from him and also to expand on why only prioritizing dispatchable resources won't safeguard reliability. What other levers should grid regulators or Congress focus on?

Ms. Smaczniak. Thank you for the question.

And I -- look, I think exclusive focus on dispatchability is too much of a one size fits all type of approach. Dispatchability may well be a tool in the tool kit; moving resources, making sure they are getting properly compensated, making sure there is value for the services provided. There are a number of ways in which the markets can work to ensure we bring the resources in.

My concern is when we use the interconnection queue, which is supposed to be for all comers who are ready for commercial viability, where we use that as the way of screening out who gets access. So it is fundamentally challenging the ability for competition and innovation to fuel affordability on our energy system.

Mr. Auchincloss. It is not really the competition market-based system that my Republican colleagues advocate for.

Ms. Smaczniak. Yeah, that is exactly right.

Mr. Auchincloss. And as Mr. Peters from California said, he said first to get connected should be first that is ready, right?

Ms. Smaczniak. Exactly. So to the extent that we are going to move anything to the front of the line, it should be the stuff that is going to get built most quickly. And that is exactly the kind of approach that is built into FERC's approach. Look at commercial readiness as the way to determine what moves through the queue. If we can do that better, let's do that better.

Mr. Auchincloss. And as you mentioned, FERC already has the ability to consider dispatchability in its queueing preferences, right?

Ms. Smaczniak. That is right.

And then just to get to your point. When we look at how does FERC approach reliability, it has never said one size fits all, this is what every region of the country needs. It has allowed each region to look at, what are our particular circumstances? What kind of flexibilities do we already have on the grid? What is our existing mix of resources? And that is the thing that allows then a reliable system, is to have that kind of region-specific, context-specific approach.

And the focus on dispatchability alone, it says we have one tool to rule them all. And that is just not going to work.

Mr. Auchincloss. I appreciate it.

I want to move on to the Power Plant Reliability Act, which would give FERC the power to compel payments to certain power plants under specific circumstances. You express concern that the language doesn't require evidence of a reliability emergency. Can you talk about what would happen to electricity rates if consumers were forced to pay for a power plant for 5 years, if a reliability emergency stays purely hypothetical? Do you think the Commission and the Department of Energy's powers under section 202 Charlie of the Federal Power Act are sufficient to address acute emergencies?

Ms. Smaczniak. So, one, I think this would be an incredible cost on Americans at a time when we are already facing rising energy prices. There is no sense to forcing energy -- for American families to pay for the cost when it is not really for reliability. And because it automatically sets a 5-year timeframe for when these would operate, regardless of whether that actual reliability need manifest, it is a waste of people's money to do that.

Mr. Auchincloss. It is another example of the abusive emergency power we are seeing the President use the emergency power of tariffs to raise costs on Americans. Now they are talking about using emergency power for reliability to raise costs on Americans.

Ms. Smaczniak. And I think we already have a layer of tools. We have our traditional market design. We have -- how do we value resources? Those are all things that are supposed to move the right resources in that we need in order to avoid these emergencies.

And then if we don't have something in a timeframe when we need it, we already have existing reliability must-run options where needed for a temporary period of time. And then at the very last gap, we have 202(c) when we just know there is some

emergency, we need to address it.

So these layers of tools, they are there. They exist. We should continue to rely on them rather than create new outside of the process mechanisms that are going to be incredibly costly for Americans.

Mr. Auchincloss. So it sounds like, in your assessment, both the GRID Power Act and the Power Plant Reliability Act will ultimately just raise costs on consumers of energy.

Ms. Smaczniak. Yes.

Mr. Auchincloss. I yield back my time.

Mr. Latta. Thank you. The gentleman yields back.

The chair now recognizes the gentlelady from Iowa's First District for 5 minutes for questions.

Mrs. Miller-Meeks. Thank you, Mr. Chair. Thank you, Ranking Member Castor, and thank you to our witnesses for being here today.

Iowa is an energy State. I know that may be mind-blowing to most people, but Iowa is a State that has 50 percent of its energy from renewables. We have over almost 60 percent of our electricity from wind, and we are a net exporter of energy. We have any of the above, including carbon-based fuels, liquid fuels, compressed renewable natural gas, nuclear hoping to restart, which we lost 5 years ago, hydropower, wind, solar. You name it, Iowa has it.

Mr. Matheson, in your testimony, you mentioned a 10-year horizon for generation retirements. The Power Plant Reliability Act would require a 5-year advance notice for planned retirements. How do different generation sources vary in their ideal timeline for retirement notices, and is the 5-year requirement in the legislation reasonable?

RPTR DETLOFF

EDTR HUMKE

[2:15 p.m.]

Mr. Matheson. Look, I think that you raise a fair question about different resources have different components to them in terms of -- from a reliability standpoint, we have got to be real careful about thinking that the market could react like that just on the dime. This is a capital-intensive industry. We are making investments in this infrastructure. It takes time. And we are making decisions for assets that are going to last another 50 to 80 years once they are built.

And so I have heard this conversation today, and I think a lot of important points have been made, but we have got to take a step back that -- this is a multifactorial challenge in terms of how we are going to make reliability happen, in terms of when we shut down power plants, and have we reliably replaced that capacity. And that is the challenge we are in right now. Demand is growing, and we are not keeping up.

And the interconnection queue needs to be fixed. We have talked about that today. We have talked about permitting. But let's be careful about digging the hole deeper before we know we can reliably replace that power.

Mrs. Miller-Meeks. Yeah. Bringing energy online, certainly, I think is both our -- you know, our mandate as well as that of this administration.

As an alternative approach, you mentioned the Power Plant 2.0 rule under the previous administration that caused significant issues. If that rule were repealed, might it be more effective to prevent forced retirements rather than adding new regulatory burdens?

Mr. Matheson. Well, it would do two things because, right now, as that rule is on the books, if you want to build a natural gas power plant and you are asked to deploy

a technology that is not commercially viable -- which is carbon capture and sequestration -- then you can only run your natural gas power plant 40 percent of the time.

So all these new gas plants are going to be built. Because we have heard everyone here talk today about you can't get a gas turbine for 2030. That is because the electric sector is betting on gas. They reserved all these turbines because they are going to build new power plants.

If that power plant rule is in place -- so not only will it force a shutdown of existing power plants, it is also going to restrict the value of these new investments. So, quite candidly, the electric sector is counting on that rule to be repealed because they are not going to invest in a natural gas combined cycle plant that you can only run 40 percent of the time.

Mrs. Miller-Meeks. Ms. Andryszak, you mentioned in your testimony that natural gas has many uses beyond electricity generation, sort of like our ethanol plants do. How do these other applications impact coordination efforts and demand for natural gas as we look to increase natural gas for electricity generation?

Ms. Andryszak. Absolutely. Thank you for the question.

So we have talked a lot about gas for electricity today. However, our end users also include industrial manufacturing, your local distribution companies, which get gas to homes and businesses to be able to power their businesses, to heat their homes, for home cooking, as well as natural gases for LNG exports. So all of those end uses are equally important, and we are going to continue to need more pipeline infrastructure to serve all of those end users.

Mrs. Miller-Meeks. Well, in Iowa, we would know that as fertilizer as well -- one of those end uses -- as well as hydrogen energy in the future.

Are there competing demands for pipeline capacity that might affect reliability of the electric grid?

Ms. Andryszak. I would just say that the -- what might impact reliability is a lack of pipeline capacity. And so when you do have times of high energy demand, there are sections of this country which are pipeline-constrained, and you just aren't able to deliver all of the natural gas that is being demanded because you just don't have enough infrastructure in place.

Mrs. Miller-Meeks. And, briefly -- because I am going to run out of time -- how can we ensure that gas-electric coordination is improved while meeting these other essential needs?

Ms. Andryszak. So our industry has been working vigorously to address this issue. We have improved winterization. We have improved coordination both with our customers and the RTOs, and we are -- already, natural gas pipelines do reliably deliver, but we are always working to improve our reliability.

Mrs. Miller-Meeks. Thank you so much. I yield back.

Mr. Latta. Thank you very much. The gentlelady's time has expired and yields back.

The chair now recognizes the gentlelady from Texas' Seventh District for 5 minutes for questions.

Mrs. Fletcher. Well, thank you again, Chairman Latta, for holding this hearing, and thanks to our second panel of witnesses for your testimony today and for your time. I think it has been very helpful to all of us, and I think this extended hearing on these issues I know is very important to my constituents at home as it is to people across the country.

I want to follow up on a couple of things. There has been a lot of really

interesting ground covered.

But, Ms. Smaczniak, I want to go back to your testimony. You talked a little bit about Ranking Member Castor's bill, Expediting Generator Interconnection Procedures Act of 2025, and how that will help all projects move through the queue without picking winners and losers, which is something that my constituents kind of repeatedly have indicated is a priority. And it would encourage grid operators to use a similar model to the one that we use in Texas with ERCOT, and ERCOT has really successfully connected a record amount of diverse energy generation to our grid in Texas.

So can you talk a little bit more about the advantages of the connect-and-manage model and kind of what other grid operators can learn from what ERCOT has done well in these sort of quick connections?

Ms. Smaczniak. Absolutely. And I agree that ERCOT is a model in terms of being able to move resources quickly through the queue, and we can learn from that.

Texas does have the advantage that it has had significant transmission build-out which has enabled that kind of interconnection approach to work very well. What they do is they have a much more targeted way of studying the interconnecting resources and addressing the reliability gaps and the upgrades that are needed, and that allows things to move much more quickly than the kind of very expansive and interconnected related studies that happen in some of the grid operators' approaches.

It is something that I have heard from grid operators that it does not always easily translate, and so I think there is work to be done, but I think that also goes to the underlying problem that transmission capacity -- when we have it, when we know it is going to get built, it really makes this interconnection process that much easier.

So these are really interrelated, and to solve this problem in a long term way, we really need to get at that underlying problem of lack of adequate transmission capacity.

Mrs. Fletcher. Well, and I appreciated your response to Mr. Peters' questions earlier. Obviously, he has been very focused on permitting reform as I have. It is one of the number one things that I hear about from my constituents at home who are involved in producing and moving energy of all kinds. And, certainly, permitting for transmission as well as permitting for other projects and moving things -- getting pipelines sited and getting things moving through those pipelines are priorities for the people that I represent.

And maybe, with that, I do want to turn to you, Ms. Andryszak. It is nice to see you. And I want to follow up on some of the things that you were talking about. There has been a lot of conversation today and folks have asked you about -- and, in your testimony, you talked a lot about proposals around NEPA review. And, certainly, that continues to be an important issue. We are seeing some changes in this administration.

But one of the things I have heard pretty consistently from my constituents at home is a concern about staffing. And it is something we heard from the first panel. But there is a real concern about the massive staffing reductions that we have seen and that, as I understand it, my constituents -- many of whom are your members -- want to make sure that the folks who are doing the NEPA reviews and who are involved in the permitting process have the necessary expertise, have the experience, and that if they issue a permit, that that permit is going to have been issued appropriately and withstand some of the challenges that you have identified.

And so I am just interested in whether that is something that you are hearing and how you think we can best address that. I know you mentioned some challenges with State agencies and other things, but here what we have seen is a massive reduction in the Federal workforce that I am very concerned about, and I think it would be helpful for folks here to understand how that is affecting your members.

Ms. Andryszak. Absolutely, Congresswoman. Thank you for the question.

Certainly, INGAA feels very strongly that any of the Federal agencies that have oversight and responsibility for permitting, construction, and overseeing the safety and operations of pipeline infrastructure need to remain fully staffed and fully resourced. It is a priority for us.

As it relates to FERC, something that maybe not everyone understands is that FERC is actually funded by user fees paid for by my members. And so since FERC is essentially a budget-neutral Federal agency, we would hope that that might protect them from any additional workforce cuts because you are absolutely correct. If we are going to build out the infrastructure that is needed in this country and that we have been talking about, we need to make sure that the folks at FERC who approve that infrastructure are -- that it is a fully staffed agency.

Mrs. Fletcher. Well, thank you for that. And I agree. I think I have already gone over my time, which is amazing. I thought I was doing so well. But I thank you all for your time and your testimony.

I thank you for your accommodation, Mr. Chairman, and I yield back.

Mr. Latta. The gentlelady's time has expired and yields back.

The chair now recognizes the gentlelady from North Dakota for 5 minutes for questions.

Mrs. Fedorchak. Good afternoon, everyone. Thank you for your expertise. Thanks for spending your day with us today and lending us all your expertise.

I want to talk about something that I haven't heard talked about a lot here in Congress yet, and that is gas-electric coordination.

Mr. Snitchler, you have got some experience in this. Could you speak a little about where you see that ranking in terms of priorities for us to maintain reliability and

affordability and maybe even one of a few of the key things that we need to do to help support that?

Mr. Snitchler. Sure. Thank you, Representative. It is good to see you again. Gas-electric is an issue that has been around for a long time. We have talked about it to death, I think. I think we are now moving into solutions, which is good.

And Amy mentioned, you know, some of the work that is already being done collaboratively between the trade associations, between our members, but also between the National Association of Regulatory Utility Commissioners, the State regulators, and FERC through your leadership when you were the President of NARUC to put something together to try and bring the regulators and industry together to try and actually speak to the issues that are before our respective sectors to try and knit us closer together.

Because the reality is the gas and electric systems didn't have to work really closely together 25, 30 years ago. It was coal and nuclear. Gas was the swing fuel. If it was there, it was great. If it wasn't, it wasn't -- it didn't really matter as much. Now, it is almost half of all of the generation in the country. So the critical importance of linking the two together, I think, are even more important than they have been.

We have tried to identify some solutions as part of the work that Amy's association and the Natural Gas Supply Association and EPSA have done together to point to some of the things that can be done. I don't want to belabor permitting and siting. That should be, like, issue one. Everybody understands that that is one of the issues.

But there are also market reforms that can be done at the regional transmission or independent system operator level to ensure appropriate compensation is granted to customers who need it. That is power generators that need to secure supply.

And there are other issues that can be done internally about forecasting and where we are going to be. How are we making sure that we have got the right

resources on the system? Because we would agree that all resources are part of the solution, but you have got to make sure you have the sufficient amount, and they have got to be able to secure the commodity they need to operate in order for us to ensure a reliable system those 20, 25 days a year when it really, really matters and the stress is on both the gas and the electric system.

Mrs. Fedorchak. Thank you for that, Mr. Snitchler.

Let's pivot a little bit. I want to talk about incentives. Is the Federal Government providing the right incentives to bring forward the type of resources that we need right now? And maybe we will start down at the end of the table and go through.

Mr. Matheson. Yeah. I think that, first of all, the incentive that was provided specifically to electric cooperatives that we are happy with was in the Inflation Reduction Act, and it gave us access to the tax incentives that the for-profit companies have had for years. Congress, for a long time now, has used the tax code to incent investment. And, if you are a municipal utility or if you are an electric cooperative, you are kind of on the outside looking in.

And the Inflation Reduction Act created the elective pay provision which we think is a really important tool for ownership of assets by not-for-profit entities like electric cooperatives. So that is one incentive that we like. It just is relatively new. And I think it is going to be over the next several years a significant driver of investment for infrastructure for co-ops.

Mrs. Fedorchak. Thank you, Jim.

Amy?

Ms. Andryszak. Thank you. Interstate natural gas pipelines are built with private capital. And so when you talk about government incentives, one of the things that would help is the Federal Government sending the right market signals. And one of

the key things to do -- that would be to do statutory permitting reform. That would indicate that pipelines can be built in this country, and so it would send the right signals to the market to be able to increase investment in those types of infrastructure projects.

Mrs. Fedorchak. Excellent. Thank you.

Let's see here. Kim and then Todd. So you each have about 25 seconds.

Ms. Smaczniak. I am going to pass. I came from FERC, and FERC just takes them and makes sure the market works given whatever the Federal Government prioritizes.

Mrs. Fedorchak. Okay. Thank you.

Mr. Snitchler. Our members have had the experience with the IRA to have the ability to utilize resources that are helpful in deploying new technologies. So carbon capture and sequestration projects. We have had members that have taken the opportunity to try and advance that technology as well as the nuclear PTC which has allowed the nuclear units to remain on the system.

In the end, we crave the certainty that comes from knowing that you can plan your business 5, 10 years out as opposed to 2 or 4 years out, and so having those tools remain in place that have been approved is useful for people who are making long-term investment decisions.

Mrs. Fedorchak. Excellent. Thank you. I yield.

Mr. Latta. Thank you. The gentlelady yields back.

The chair now recognizes the gentleman from California's 15th District for 5 minutes for questions.

Mr. Mullin. Thank you. Thank you, Mr. Chair.

Thank you, witnesses, for being here today to discuss these bills. I am glad we all agree on the challenge ahead that we need to figure out how we can meet rising demand

for energy while making sure that businesses and communities across the country have access to reliable and affordable electricity.

Thanks to incentives in the IRA and the infrastructure bill, we have had an enormous amount of investment in new energy sources, and many of these are waiting to connect to the grid. In fact, most of these are utility-scale solar, wind, and battery storage projects. These are the cheapest and quickest technologies to deploy today, and they could more than double America's power production. This would go a long way in meeting our projected rising demand, including the energy needs of data centers.

Equally important, they wouldn't freeze like we saw with gas wells in Texas in 2021, which would make our electric system better prepared for increasingly extreme storms that we see.

The question now is how do we connect these energy projects to the grid as quickly as possible? Right now, the average wait time for interconnection is 5 years.

So, Ms. Smaczniak, you played an important role in developing interconnection queue reforms at FERC. What do you see are the most promising reforms we should put in place to accelerate the deployment projects currently stuck in that queue?

Ms. Smaczniak. I believe Ranking Member Castor's bill puts forward a number of really good ideas for FERC to explore in further rulemaking. That includes looking at what are advanced computing technologies that could expedite the study process for all resource types. That includes looking at what additional forms of transparency are needed so that we are understanding where the costs are high in certain sites in the transmission system, understanding which projects are actually able to be constructed quickly or not, and those kinds of reforms would help expedite the entire interconnection queue.

Mr. Mullin. Thank you for that.

So I, along with a number of my colleagues, strongly support Ranking Member Castor's bill, Expediting Generator Interconnection Procedures Act of 2025, which would direct FERC and the Department of Energy to find ways to streamline the interconnection process. Speeding up this queue is critical.

So I am also thinking about the many projects that have already broken ground and are supporting thousands of jobs. With the Republican budget reconciliation coming up, I am deeply concerned that any rollback of the tax credits provided under IRA would create uncertainty in the energy sector, freezing private investment, and putting these jobs at risk.

So, Ms. Smaczniak, back to you. How would changes to the clean energy tax credits impact investments in the power sector, and would this affect the cost of electricity for consumers on the downstream?

Ms. Smaczniak. Yes, absolutely. I mean, investors want certainty. We have heard that message over and over again. And, if there is significant uncertainty and changes of policies, if policies flip back and forth every few years, when you have infrastructure that takes years to be built and will last for decades, that is going to increase the risk premium on these projects. It is ultimately going to make it more expensive to build in America.

Mr. Mullin. Thank you for that. I am also wondering about the impacts to people who rely on electric cooperatives for power.

So, Mr. Matheson, you did touch on this in the previous exchange. How are members of your association using the IRA tax credits, and what would happen if they were repealed?

Mr. Matheson. Well, there is a specific program in the IRA called New ERA, and that was just for electric cooperatives. It was $9.7 billion based on a 25 percent cost

share for clean energy projects. It was more than double oversubscribed, by the way. So there was tremendous interest across the electric cooperative membership to participate in that.

Those projects are moving forward. Secretary Rollins has indicated that she is ready to move ahead with those, and so we are looking forward to seeing those projects come to fruition.

Mr. Mullin. Thank you for that. I hope my colleagues across the aisle recognize the importance of preserving these vital incentives not just for the energy sector but for American workers and families who would experience rising costs and energy blackouts if we reverse course.

And, with that, Mr. Chair, I yield back.

Mr. Latta. Thank you. The gentleman yields back.

The chair now recognizes the gentleman from Texas' 11th District for 5 minutes for questions.

Mr. Pfluger. Thank you, Mr. Chairman.

I will start with Ms. Andryszak on just some LNG issues that -- you have probably spoken to a lot of these, but I want to talk about the FERC approval process. I think as they review, approve based on multiple factors, including the public interest, that was thrown into chaos. I actually have a bill that is called Unlocking Our Domestic LNG Potential Act which would fix this by ensuring that LNG projects can move forward without waiting for unnecessary, duplicative approvals.

So maybe talk to us a little bit about having FERC as that sole Federal agency responsible for LNG export approvals, and how does that affect predictability and then the overall -- you know, just the energy constellation? How does that help us?

Ms. Andryszak. Absolutely. Thank you for the question, Congressman.

So we are supportive of this legislation. We think it would be helpful to have one Federal authorizing body both for the LNG export facilities and then essentially for the commodity itself. And the reason for that is that, under the current bifurcated system, we have seen it really add to significant delays for LNG exports.

As an example, we have seen those delays growing because, as you noted, first, an LNG export facility needs to get their FERC approval, their certificate to build the facility. We have seen, though, the time after you got your FERC approval to actually getting the ability -- the export authorization to non-FTA countries, under President Trump's first administration, it was about 49 days of lag time. We saw that lag time grow to about 330 days during President Biden's administration. So we think this would be a really important step to streamlining and expediting that approval process.

Mr. Pfluger. Yeah. And, if we don't do this, can you kind of -- I want to go to Mr. Snitchler here in just a second, but talk to us about the way that energy -- the energy industry plans and the timeline that they need. And they just don't get it out of the ground right now and then send it off; so how does it impact our industry?

Ms. Andryszak. Absolutely. As we have discussed today, certainty in terms of timelines and predictability for planning, for ordering supplies, for building these facilities, for hiring the staff all come into play. So a difference between 50 days and 330 days creates significant uncertainty. And I think you are well aware that having LNG exports to help improve our national security is a strong imperative.

Mr. Pfluger. Well, thank you. I think it is very important, and it is a piece of legislation that matches perfectly with the energy dominance narrative that our country has spoken loud and clear of.

Mr. Snitchler, good to see you. And I want to talk about the GRID Power Act. The opponents of this claim that, you know, if we were to -- that prioritizing dispatchable

sources would inherently delay the interconnection of renewable sources. Talk to us about that.

Mr. Snitchler. Thanks for the question, Representative. Again, I will reiterate that we disagree with that position.

The job one of the grid operator is to ensure system reliability regardless of resource. They can be fuel-neutral in their approach, but their job is to keep the lights on. And, if they determine that there is an emergency and they do not have sufficient amount of resources that can be dispatched when they are needed on demand, then they are making the call and they would have to reach out to their Federal regulator to say we have identified a problem, and there is a process in place that would allow this temporary fix to ensure that the system stays on and it stays reliable.

At the end of the day, what you end up with is a situation where you have a temporary remedy while the other processes are still going on. It is not as if they are moved to the back of the line and they have to start over and extend their approval process. In fact, what we are seeing through the queue reform process is tens and -- really, tens of gigawatts that are dropping out of the queue process as they are being called upon to say, are you in or are you out?

PJM is an example. They had roughly 290 gigawatts of new resources that wanted to get access to the system, 50 gigawatts of which had been approved, 60 of which will be approved by the end of the year, but 90 gigawatts of which have dropped out of the queue itself. So that tells me that those projects weren't ready to go, and if we need to move projects that are ready to go and can be dispatched when needed to ensure reliability, this short-term measure is the appropriate and measured response to solve the reliability problem.

Mr. Pfluger. So, of all the factors -- affordability, reliability, geopolitical,

environmental -- which one is the most important to you?

Mr. Snitchler. Well, that is a difficult question. I think reliability has to be job one.

Mr. Pfluger. Thank you.

Mr. Snitchler. I think after you get to that, then we can debate the rest.

Mr. Pfluger. Thank you. I yield back.

Mr. Latta. Thank you. The gentleman's time has expired.

And, seeing no other members wishing to ask questions of our witnesses, I want to thank our witnesses for appearing today. Members may have additional written questions for you. I remind members they have 10 business days to submit additional questions for the record, and I ask that the witnesses do their best to submit responses within 10 business days upon receipt of those questions.

I ask unanimous consent to insert in the record the documents included on the staff hearing documents list. And, without objection, so ordered.

[The information follows:]

******** COMMITTEE INSERT ********

Mr. Latta. And, seeing no further business to come before the subcommittee, we stand adjourned.

[The information follows:]

******** COMMITTEE INSERT ********

[Whereupon, at 2:41 p.m., the subcommittee was adjourned.]