

OPENING STATEMENT

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Energy Subcommittee
House Committee on Science, Space, and Technology

The Electric Grid of the Future
Energy Subcommittee Hearing
June 7, 2018

Good afternoon and thank you Chairman Weber for holding this important hearing. I would also like to thank this distinguished panel of witnesses for being here today. Just last week, a White House memo was leaked that raises several questions. It detailed a plan to direct the Energy Secretary to use authorities vested in him from the Federal Power Act and the Defense Production Act to save money-losing coal and nuclear power plants.

Section 202 of the Federal Power Act has historically been used to address energy supply concerns related to natural disasters or other major energy shortages. Likewise, the Defense Production Act is a Cold War-era statute that allows the President to nationalize elements of U.S. industry in the interest of national security. This proposal has been roundly criticized by a wide range of trusted, independent experts as poorly justified and legally dubious. Our utilities, states, and researchers do the hard work of hardening our energy infrastructure to cybersecurity threats and natural disasters. Meanwhile, the Trump Administration is inventing emergencies to bail out uneconomic coal and nuclear plants while ignoring the real problems. I am sure the White House views this legal loophole that surfaced in the leaked memo as an easy way to fulfill the President's campaign promise of bringing back coal. However, the real impact has not been thought through by the administration. It would wreak havoc on our energy markets and create a number of misaligned incentives.

As severe weather driven by climate change becomes more intense and damaging to the electric grid, this Administration wants to address that problem by offering financial bailouts to money-losing coal plants. Coal plants, I'll note, that have always been the heaviest CO₂ emitters in the power sector. Any reasonable person would agree that this seems backwards. Moreover, it wouldn't do anything to make the electric grid more resilient. The grid experts that have examined the issue would characterize our nation's priorities far differently than this politically motivated administration does. This is why FERC unanimously rejected Secretary Perry's last proposal to bail out uneconomic coal and nuclear plants. While the Trump Administration works with coal CEOs to craft a plan to benefit the industry's bottom dollar, the American people are being left behind.

I look forward to hearing from Mr. Gramlich today on his recent report titled "A Customer-focused Framework for Electric System Resilience." I can't think of a better way to approach this issue. The purpose of the electric grid is to provide reliable, affordable power to customers. Any conversation that does not first consider the customer is not one worth having. While I am very critical of these actions by Secretary Perry on grid resilience, I want to be clear that I strongly support developing advanced technologies to enable carbon capture on coal-fired power plants and the next generation of nuclear reactors. In fact, I just

introduced a bipartisan bill - H.R. 5745, the Fossil Energy Research and Development Act of 2018 - that would authorize activities to support the development of technologies and methods for carbon capture, storage, utilization, and removal. It is the most comprehensive legislative proposal for fossil energy research in Congress today. So I certainly have no issues with federal support for these energy options. I just think we need to be a lot smarter about our approach to addressing these issues.

We are fortunate to have Assistant Secretary Bruce Walker with us today. I look forward to hearing your justifications for the actions proposed in the White House memo and Secretary Perry's proposal to FERC. I also look forward to hearing your priorities for the Office of Electricity. In the FY 2019 budget proposal, this Administration requested a severe 37% cut to the Office of Electricity and a reorganization of these investments. I'm sure we'll discuss further shortly. While I am not opposed to this reorganization in concept, I am curious how splitting DOE's smallest energy technology office into two offices will ensure that these activities continue to be a priority in the years ahead.

Thank you again to the witnesses for being here.

Before I close, I would like to note that, unfortunately, this will be the last hearing with Joe Flarida staffing me – at least in this Congress. This is because he recently won the Bosch Foundation Fellowship and will be heading to Germany in a few weeks. I know that staff on both sides of the aisle recognize that Joe has done a tremendous job for this Subcommittee in his time here. He played a key role in negotiating a bipartisan, bicameral legislative package, the Department of Energy Research and Innovation Act, that has since passed the House and is now advancing in the Senate. And he was my lead staffer in developing and vetting language for the fossil energy research bill that I previously mentioned. That bill has now been endorsed by a broad and impressive coalition of stakeholders, and I know that wouldn't have happened without all of the hard work that Joe put into this effort. Joe, I wish you all the best, and I hope that we can find a way to work together again after you return from what I'm sure will be an amazing learning experience overseas. Congratulations.

Thank you, Mr. Chairman. I yield back.