

**Opening State of Chairman Fred Upton
Subcommittee on Energy and Power
Hearing on “Discussion Draft Addressing Energy Reliability and Security”
May 19, 2015**

We all know how a power outage can bring our lives to a standstill. It is bad enough for homeowners when the lights go out, but it can be even more difficult for business owners and their employees. Now imagine the damage to our quality of life and the economy if blackouts became more frequent – or, even worse, if the power were to stay out for weeks or possibly even months at a time. Those are the risks we aim to address with this discussion draft, and I look forward to adding these measures to enhance electric reliability and security into our bipartisan energy bill.

In addition to the longstanding reliability threats like downed power lines from storms, we have relatively new threats like terrorists who would like nothing better than to take down our electric grid for an extended period of time.

At the same time, utilities are being asked to comply with a number of challenging new environmental requirements which may have the unintended consequence of putting reliability at increased risk and limiting the ability to respond when things do go wrong.

These and other challenges are made even more serious by the fact that the nation’s electric grid is overdue for a major upgrade. We may have the best electricity system in the world, but it won’t stay that way for long without substantial new investments.

The good news is we can address these concerns and ensure a reliable and secure power supply for the new century. But it will take several policy changes that are included in the discussion draft, including measures to promote advanced grid technologies that will help us establish a more modern, flexible, and resilient grid.

Other measures in the discussion draft are designed to protect the grid against outside threats, be they physical or cyber attacks. This includes provisions for governments and the private sector to work together in anticipating the ways bad actors could sabotage our electricity system and taking action to address and mitigate vulnerabilities.

Other measures seek to head off any potential conflict between environmental measures and reliability. New regulations raise potential reliability issues by reducing the diversity of the power supply, necessitating early retirements of existing base load capacity, introducing more non-base load resources, and adding red tape that limits the flexibility to respond to an emergency. There is no reason we can't have cleaner air and more reliable power, and I welcome NERC and FERC's input on what is needed to ensure that new federal regulations do not compromise reliability.

The National Academy of Engineering cited electrification as the greatest achievement affecting the quality of life in the 20th century, but it is every bit as important to modernize the grid to face the new and emerging challenges of the 21st century. I look forward to the continued collaboration on reliability and security provisions to better safeguard our power supply for the years ahead.