

Chair Jeff Duncan
Opening Statement – Subcommittee on Energy, Climate, and Grid Security:
“Powering America’s Economy, Security, and Our Way of Life: Examining
the State of Grid Reliability”

September 28, 2023

As prepared for delivery

The subcommittee will now come to order.

Thank you all for being here today and welcome to the Energy, Climate, and Grid Security Subcommittee hearing, “Powering America’s Economy, Security, and Our Way of Life.”

Under my chairmanship of this subcommittee, Republicans have been focused on policies to improve the affordability and reliability of electricity for all Americans.

We are conducting oversight of the Federal Energy Regulatory Commission (FERC), the Department of Energy (DOE), and proposed regulations, including EPA regulations and actions that impact the grid.

In June, we received testimony from the FERC Chairman and the Commissioners. A few weeks ago, we received testimony from FERC’s director of the office of reliability and the Department of Energy’s assistant secretary for the office of electricity.

In each of these hearings, Republican members raised concerns about the growing electric reliability crisis and pressed the agencies on their actions to address it.

Today, we will hear from the nation’s electric grid operators, who have responsibility for dispatching power, balancing the electrical load, and maintaining a reliable system.

I would like to thank our witnesses for appearing before us today – the last time we held a hearing like this was in 2017.

These grid operators are responsible for overseeing two-thirds of the nation’s power grid—the majority of Americans live in regions overseen by Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs).

The nation is facing an electric reliability crisis and the nation’s grid operators are not equipped to address it alone.

Federal tax subsidies and state policies designed to prop-up renewables, and EPA regulations targeting coal and natural gas power plants, continue to lead to the premature retirement of the nation’s most dependable generation sources.

As a direct result, grid operators have issued unprecedented warnings and pleas to conserve energy and prepare for blackouts.

Power outages can cause loss of life. Extended outages have significant economic consequences.

We continue to hear from FERC and the operators that we are facing a “looming resource adequacy crisis.”

At our June hearing this year, Commissioner Christie testified that ...“The increasing threat of system-wide, extensive power outages is potentially catastrophic.”

Commissioner Danly echoed concern and noted the current wholesale market structure is distorting price signals, jeopardizing reliability.

The reliability experts at the North American Reliability Corporation, or NERC, have warned us repeatedly in recent years, in increasingly urgent terms, about looming threats to reliability. NERC's CEO testified to the Senate this year that “The United States is headed for a reliability crisis”.

In the same hearing...the CEO of PJM agreed there is a growing threat of a crisis.

We’ve heard repeatedly from other operators of the upcoming resource scarcity.

This pending crisis is a result of several factors....

...premature retirements of reliable generation caused by renewable subsidies that drive massive supply of weather dependent generation that undermines price signals for reliable generation in wholesale markets....

state renewable mandates and bans on the use of natural gas...

lack of pipeline capacity – especially in the Northeast...

and new EPA regulations that will make it even more costly for power plants to operate....

We all have a responsibility to respond to these warnings and act accordingly. Turning the power off and demanding Americans “conserve” energy is not the answer.

In Congress, we should support policy efforts to bring more reliable generation online. Transmission connecting intermittent renewables is not a replacement for reliable generation.

Unfortunately, the current market is pushing certain generation sources over others, which is making energy more expensive and less reliable.

There is no replacement for reliable energy...every American should trust that when they flip the switch, the power comes on.

Right now, that is not the reality, and we need to have an honest conversation about what is wrong with the current system and who is ultimately responsible when the lights go out.

The operators in front of us today face challenges in fulfilling their core mission of providing reliable energy to millions of Americans.

I look forward to their perspectives on the issues they face and how Congress, and federal agencies, can act to support all Americans having reliable and affordable energy.

I now recognize Ranking Member DeGette for five minutes to give her opening statement.