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CONTACT
Christine Brennan — (202) 225-5735

**Statement of Ranking Member Frank Pallone, Jr., submitted for the record
Committee on Energy and Commerce
Subcommittee on Energy and Power
Hearing on “Discussion Draft Addressing Energy Reliability and Security”**

May 19, 2015

Thank you, Chairman Whitfield and Ranking Member Rush for holding this hearing on a serious topic that should know no party lines: energy reliability and security. We often take for granted that the lights will go on when we flip a switch and that, even in an emergency, heat and gasoline, will be available.

But extreme weather events are costing us dearly, both in human life and in recovery costs. Our changing climate is exacerbating power outages. The power infrastructure is at higher risk from storm surges and coastal inundation. The costs can be huge – just look at the fallout from Superstorm Sandy. Since 2011, there have been more than 42 extreme weather events in the United States that each cost at least \$1 billion in damages.

These events challenge our confidence in the energy supply, so they should also drive our efforts to move toward a new, more secure, resilient and sustainable system of energy delivery.

The draft before us takes a few steps in the right direction and, in some cases, builds on bipartisan agreements previously approved by our committee. That’s a good start, but it’s far from perfect. For instance, I would like to understand why the provisions are no longer included in the bipartisan GRID Act to address the vulnerability of our critical electric.

Unfortunately, the bill also takes many steps that are too grounded in the past, particularly with regard to the reliability of the grid. Instead of embracing new distributed and renewable technologies, cutting edge energy storage, and demand response, parts of this draft appear to be designed to tighten our grip on the large, expensive, and inflexible facilities and

energy sources of the past. In addition, in addressing electricity capacity markets, the draft doesn't support distributed generation and renewables. That's unfortunate because I think capacity markets are worthy of the Committee's careful examination and consideration.

Lastly, I want to outline my concerns with the draft's unprecedented requirement for FERC to complete a "reliability analysis" of major rules that cost over a billion dollars. This section appears to be aimed straight at the Clean Power Plan, something the Chairman had pledged to avoid in this process. FERC certainly has the ability to comment on EPA rules if it so chooses, so at a minimum, I'm not sure why this provision is needed. But most importantly, it raises the specter of reliability failure where none exist. As EPA recently said: "Over the past 45 years, EPA has never issued a rule that has threatened the delivery of affordable and reliable electricity to American families, and the Clean Power Plan will not change that."

I couldn't agree more. Mr. Chairman, I'm generally pleased to see consensus language on some provisions in this bill. I hope we can build on this draft to ensure the enactment of an energy bill developed in a truly bipartisan fashion.

Thank you and I look forward to hearing from our witnesses.