

Committee on Energy and Commerce

Opening Statement

of

Subcommittee on Energy Ranking Member Bobby Rush

**“Examining the State of Electric Transmission Infrastructure: Investment,
Planning, Construction, and Alternatives”**

May 10, 2018

I want to thank you, Mr. Chairman, for holding this important hearing today examining the state of electric transmission infrastructure.

As you know, Mr. Chairman, there have been many developments in the nation’s energy portfolio since FERC issued Order No. 890 back in 2007 as a way to promote open-access transmission service.

This rule outlined a planning process for transmission providers consisting of nine planning principles, including: coordination; openness; transparency; information exchange; comparability; dispute resolution; regional coordination; economic planning studies; and cost allocation.

In 2011, FERC issued Order No. 1000 as a way to further improve the planning process within and among geographic regions and also to determine how transmission costs were distributed to customers.

Order 1000 was also issued to provide additional opportunity for non-incumbent transmission developers to compete to build projects within the service territory of incumbent utilities.

Mr. Chairman, in reviewing this policy it appears that the results have been mixed in regards to how successful it has been in achieving its goals.

We are in the midst of a rapidly changing energy landscape, reflected in part by the emergence of renewable energy sources, low-cost natural gas, state-led Renewable Portfolio Standard goals, as well as an increase in energy-efficiency initiatives and an overall reduction in energy demand.

Mr. Chairman, shifting consumer behavior is driving many of these changes as customers demand cleaner forms of energy, along with new tools to more responsibly use the energy they consume, both as a way to save money and as a way to save the environment.

May 10, 2018

Page 2

Traditional models of buying and selling energy are being disrupted by demand response programs where emerging technologies such as energy storage and distributed-energy systems allow consumers to produce energy and sell it back to the grid.

Mr. Chairman, based on the testimony that we will hear today, it appears that there are some real concerns with Order 1000 and modifications may be needed to help meet its objective.

If the goal was to provide a clear and collaborative inter- and intra-regional planning process, with transparent and fair cost allocation in order to spur additional competition and increased investment in grid infrastructure projects, then it is less clear if that objective has indeed been achieved.

While most of the witnesses believe that changes should be made, there is less consensus on what those changes should look like.

So I look forward to engaging today's panel of distinguished witnesses and hearing from them regarding the opportunities and challenges surrounding Order 1000, as well as recommendations for improving this policy.

Thank you, Mr. Chairman, and with that I yield back the balance of my time...