



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
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Pallone Remarks at Budget Hearing with Energy Secretary Perry

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Energy hearing on “The Fiscal Year 2019 Department of Energy Budget.”*

Secretary Perry, welcome back. I hope you feel welcome because --judging by President Trump’s FY 2019 budget-- I think here in Congress, we have more confidence in you and your department than the President. I say that because we recently passed a bipartisan omnibus appropriations bill that not only increased funding for many DOE programs above the President’s budget request, but also increased funding above 2017-enacted levels.

I’m glad that Congress has gone on the record that it will not accept these severe cuts being proposed by the President. I don’t envy the position you’re in today, having to defend a Department of Energy budget that slashes funding for clean energy research, walks away from popular efficiency programs that save consumers money, eliminates programs that fund cutting-edge energy research, and helps low-income families weatherize their homes. This budget also slashes federal investments in DOE programs that help mitigate carbon emissions, which are, as the science clearly shows, the main driver of climate change.

The President’s budget proposes a particularly crippling 70 percent cut to DOE’s Office of Energy Efficiency and Renewable Energy. That office has succeeded in growing clean energy technology deployment, developing cost-saving energy efficiency programs, and promoting advanced vehicles and alternative fuels. If we put the brakes on clean energy research, development, and deployment, we risk falling behind countries like China that are prioritizing clean energy investments that are spurring new industries and creating jobs. This is not the way to grow and expand our economy.

I am also very concerned about the budget cuts to efficiency programs. My frustration is compounded by the fact that this Administration has been slow-walking the publication of four product efficiency standards that were completed over a year ago. I simply do not understand why you would block the completion of these standards, which are cost-effective, and will save consumers money. The standards had also been fully negotiated. A U.S.

District Court has ordered DOE to finally publish these standards, but the Trump Administration is currently wasting taxpayer money to appeal the order. The law requires DOE to publish these standards, and it should be done immediately.

The budget proposal also makes several misguided changes to the structure of the Power Marketing Administrations (PMAs). It directs the Federal government to sell off a large portion of the transmission system in several PMAs. It also requires the PMAs to charge consumers for electricity based on the rates of comparable private utilities instead of simply recouping costs. Both these actions are ill-conceived and will lead to higher electricity bills for those who purchase electricity from a PMA. That's bad for consumers.

Another proposal I find especially foolish is the President's plan to abolish the Northeast Gasoline Supply Reserve, which was launched after severe gasoline shortages during Superstorm Sandy. The Administration's reasoning for this short-sighted proposal – the reserve “has not been utilized since its establishment.” By that logic, we might as well discard the Federal government's stockpile of small pox vaccines, because the vaccines have not been used since the stockpile was created. I have introduced legislation to authorize the reserve. I would prefer to work with you, Mr. Secretary, to perfect and move that legislation, but I will fight any attempt to eliminate the reserve.

Finally, I must address the recent request the Department received from FirstEnergy and Murray Energy to use Section 202(c) of the Federal Power Act to keep the company's cash-strapped coal and nuclear plants operational. Mr. Secretary, judging by your recent statements and those of Assistant Secretary Walker, it sounds like you appreciate that Section 202(c) is for serious grid emergencies, as explicitly defined in the statute, and not designed to bail out power plants that are losing money. This request by FirstEnergy is like calling 911 because your credit card got declined. It has united Republicans, Democrats, energy companies, environmental groups, regulators and consumers in opposition because it's clearly and simply not just inappropriate, but illegal.

Mr. Secretary, thank you for testifying before our Committee today. I yield back.

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