



COMMITTEE ON  
**ENERGY & COMMERCE**  
RANKING MEMBER FRANK PALLONE, JR.

DEMOCRATS

**FOR IMMEDIATE RELEASE**

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Click [here](#) to watch the hearing. Additional materials, including a background memo and witness testimony, can be found [here](#).

**Statement of Ranking Member Frank Pallone, Jr., as prepared for delivery  
Committee on Energy and Commerce  
Subcommittee on Energy and Power  
Hearing on “Discussion Draft on Accountability and Department of Energy  
Perspectives on Title IV: Energy Efficiency”**

Thank you Chairman Whitfield and Ranking Member Rush for holding this hearing, which I understand to be the last of its kind on the Majority’s Architecture of Abundance discussion draft legislation.

As we begin wrapping up these legislative hearings, I want to commend Chairman Whitfield and Chairman Upton. Regardless of whether I agree or disagree with all of the policies put forth, the Chairmen and Majority staff deserve credit for putting forward these many proposals and for working with us to put together these legislative hearings. We continue to want to work with you to try to construct energy legislation that can garner support from a majority of each of our caucuses.

While I believe it is possible to get there, it’s important to note that we clearly have a long way to go. I have already voiced my opposition to the efficiency draft because I believe that, in its current form, it would actually result in a net increase in energy consumption, but I’m glad we’ll finally get to hear DOE’s views on the language today.

The “accountability” title that is the primary topic before both today’s and tomorrow’s panels, includes proposals that range from the relatively innocuous to the absolutely disastrous.

In particular, I am strongly opposed to the section regarding FERC investigations which to me defies all logic by casting market manipulating big banks and hedge funds as victims, while handcuffing FERC investigators tasked with protecting energy ratepayers.

The provision asks us to believe that JP Morgan Chase --which agreed to a \$410 million settlement in 2013-- is really a victim, rather than the California ratepayers who were defrauded. It wants us to be concerned about “just and reasonable” treatment for FERC

enforcement order subjects like Barclays Bank and the Powhatan Energy Fund, rather than preventing market manipulation to ensure “just and reasonable” rates for consumers of electricity, a regulated commodity. I don’t understand the Majority’s rationale, but I do know that its enactment would undermine confidence in the fairness of energy markets and, ultimately, the ability of those markets to function at all.

It’s clear from the inclusion of a “Market Reforms” section in the draft that the majority already has concerns with the functioning of the regional electricity markets. What’s not clear is exactly what problems the language is attempting to solve or whether it would solve them. Nonetheless, I look forward to hearing from our expert witnesses with extremely divergent views of electricity markets. This is a complex but critical issue that should be the subject of multiple oversight hearings and vigorous debate.

Another matter that the Committee should examine more closely before legislating is implementation of PURPA Section 210, which laid the early groundwork for wholesale electricity competition and the growth of renewable energy. Ten years ago, this Committee and Congress significantly reformed the law to essentially say that if FERC found that fair and robust competition existed in a given region, then utilities within that region no longer had to sign mandatory power purchase agreements with qualifying facilities. That reform seems to have worked. Perhaps there are tweaks to be made and I am willing to address demonstrated problems. However, the discussion draft goes way too far by essentially deeming competition to exist even where it doesn’t, completely flipping the burden of proof and undoing the simple, fair and elegant agreement we enacted in EPACT 05.

In closing, I hope that we will take the time to try to work through these issues and not rush to some meet some arbitrary deadline. While nothing is ever guaranteed, I think it is possible that, working together, we can move from the architectural phase to the construction of broadly bipartisan energy legislation that could be enacted before the end of this Congress. Thank you.

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