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DECEMBER 5, 2023

STATEMENT FOR THE RECORD FROM
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SCHWEITZER ENGINEERING LABORATORIES, INC.
SUBMITTED TO THE
COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON ENERGY, CLIMATE, AND GRID SECURITY
U.S. HOUSE OF REPRESENTATIVES
HEARING ON
“AMERICA’S FUTURE: LEADING A NEW ERA OF ENERGY DOMINANCE,
SECURITY, AND ENVIRONMENTAL STEWARDSHIP.”

Good morning, everyone.

Schweitzer Engineering Laboratories is part of the 140-year-old electric power industry. It is a legacy stemming from pioneers including Thomas Edison and Samuel Insull, and advancing to the modern miracle of today.

Electric power is the ONLY commodity that moves at the speed of light.

186 thousand miles a second. It travels from Cathy’s district in the northwest to southern California in only 6 milliseconds. Because of that miracle, excess solar and wind energy generated during the day can be economically stored behind the dams on the Snake and Columbia Rivers, and even farther north into Canada, for use when it’s dark and calm.

Electric power moves almost twice as fast along a transmission line compared to information in an optical fiber.

Yes, the internet is fast; and the electric power system is more than twice as fast.

What a miracle!

And so are the public service companies. These regional franchises, also invented by Edison and Insull, operate under the watchful eyes of the state public utility commissions.

PS companies were born dedicated to providing safe, reliable, economical service to us all.

The electric companies competed with gas companies to provide illumination. At first electrical illumination cost more than gas. Some customers converted anyway,

because of safety: no one really wanted a gas light in their closet, for instance. To win more business, the electric companies became more efficient, generating more power with less fuel.

Insull frequently reminded folks that “capital always gets its pay.” Making the best use of capital is essential for shareholders and customers alike.

The industry also invented new USES for electricity. Nikola Tesla’s invention of the induction motor freed millions of Americans from the drudgery of pumping water and washing clothes by hand, for instance. Refrigerators replaced ice boxes, because of motor-driven compressors.

And, the inventions continue: today’s heat pumps can now cool in the summer and heat in the winter...efficiently!

Regional franchised PS companies compete with each other, believe it or not. Neighboring utilities built tie lines, to share power. These neighbors demanded fair pricing from each other...and they knew what fair pricing is, because they’re in the same business and the books were open.

When you connect, you compete. And, collaborate. To the benefit of customers, shareholders, and the environment.

Unfortunately, Enron and others employed Sophists’ arguments to demand “deregulation.” They wanted to build unregulated power plants...NOT under the watchful eyes of the PUC’s...where their gas pipelines passed under electric transmission lines, to expand their pipeline businesses into the electrical sector.

Legislators and regulators of both political parties eventually bought the Sophist arguments, resulting in the re-regulation of FERC 888-889.

...re-regulation favoring Enron’s business interests. Their independent generating companies, dumping power into the regulated lines treated as “the grid,” and regulated distribution companies drawing power from “the grid,” as if it were a Saturday farmer’s vegetable market. None of this makes sense, once you remember that electric energy moves at the speed of light and is hard to store.

And, what about planning to ensure there’s enough electricity when we need it? That used to be handled region by region.

A whole new level of governance emerged: Independent System Operators and Regional Transmission Operators...the most famous ones being the Cal ISO and Texas ERCOT. Gone was the one necktie responsible for generation transmission and distribution supplying electric power to you and me.

Ironically, the move to DE-regulate, demanded more governance, not less. The ISO's and RTO's don't own the resources, so they rely on more rules from the government.

In the past 30 years, we've seen new regulations, more difficulties permitting, prescriptions and proscriptions, subsidies, mandates, bans, incentives, and other market distorters.

We've thrown so much sand in the gears of free enterprise that we now suffer long supply chains reaching all the way to China. What would happen if we take the sand out of the gears?

Electricity is essential. And it is becoming more important: people expect to charge their electric cars and heat their houses and water with electricity.

Whether our politics align more with D's or R's, we're all plugging into the same wall plugs. It's high time that we unleash the spirit of free enterprise, together...the very spirit that made America.

Let's free the hundreds of millions of minds in America to fully embrace our unalienable rights to life, liberty, and the pursuit of happiness. And we'll lift the heavy burdens from this generation of emerging Edisons and Insulls—people we don't know until their miracles emerge.

I am convinced we'll be cleaner and greener...sooner too...when we unleash the spirit of free enterprise, as well as, safer, more reliable, and more economical.

Best part is it won't cost the government a dime! Instead, it will produce tax revenues we can't even imagine today to pay down our debts.

Our Constitution, embodying the genius of our Founding Fathers, is our seemingly Secret Playbook.

Our 100% employee-owned company is succeeding by inventing the future, without turning to government for subsidy or mandate. Instead, we urge you and all of your colleagues representing us to ensure a fair, free, flat, and open environment for every individual in America.

Believe in the Constitution; believe in America. I do!

Thank you, I look forward to answering any questions you may have.