U.S. Senate Committee on Energy and Natural Resources
April 2, 2025 Hearing: *The MacGregor and Danly Nominations*
Questions for the Record Submitted to the Honorable James Danly

Questions from Ranking Member Martin Heinrich

Question 1: Secretary Wright, President Trump, and Elon Musk are planning to cancel energy projects that reduce energy costs – things like wind, solar, energy storage, energy efficiency, and other projects and technologies that the public supports and develop good jobs here in the U.S. In fact, $46 billion of existing research and development and demonstration project contracts are at stake at the Department of Energy (DOE). These contracts obligate the federal government to uphold their side of the agreement, yet time and time again at DOE and other agencies across the government, we see Trump administration appointees illegally freezing and cancelling grants, loans and government programs that would deliver cost-saving clean energy to millions of people across the country.

- Would you pursue illegal impoundments of Congressionally approved funds? Would you follow court orders to release funds previously illegally frozen, blocked or impounded?

Response: If confirmed, I will follow the law.

Question 2: During a 2023 hearing as a Commissioner on the Federal Energy Regulatory Commission, you appeared to use reliability issues during Winter Storm Uri as an example of low prices in the capacity market causing fossil fuel plants to retire early. With regard to Winter Storm Uri, didn't PJM's own analysis of the challenges it faced during this period was not due to a lack of capacity, but the failure of generators who were paid hundreds of millions of dollars in capacity market payments to meet their obligations to do so? Didn't PJM's analysis determine that of the outages that occurred, 63% were natural gas, 28% coal, 4% oil, 2% nuclear, 1% hydro, and 1% other and that "wind and solar resources performed as the near-term forecasts projected." How does the outage rate of natural gas fired plants compare to other technologies? Didn't PJM attribute much of the failure of gas plants to operate on temperature related failures at the plant as well as impacts on gas production at the wellhead?

- PJM had already identified lack of weatherization as a fundamental cause of gas plant failures during the 2014 Polar Vortex outages and claimed in its recent analysis that it had asked FERC and NERC to adopt stricter weatherization standards for generators, which they have thus far declined to do. Is that correct?
- Would you pursue fixing this reliability issue that fossil fueled electricity generating resources are causing in the position for which you are nominated at DOE?

Response: The Department of Energy does not directly oversee the development of reliability standards for natural gas pipelines or natural gas generators. However, as reflected in my testimony at the hearing and in my writings while at FERC, I consider reliability a paramount concern for the utility system and will take every opportunity to improve the reliability of the entire utility system—including its primary inputs—should I be confirmed as Deputy Secretary.

Question 3: Secretary Wright has been very vocal about the urgent need for grid expansion, making strengthening our transmission system Action Item #8 in his first Secretarial Order. As we bring more generation online, what do you think are the most important steps DOE can take to make sure we make tangible, near-term progress on this transmission-related action item?

Response: Strengthening, modernizing, and expanding the transmission system and other critical infrastructure is a top priority. If confirmed, I look forward to reviewing DOE's transmission programs and will look for ways to improve current transmission infrastructure and in cooperation with the transmission owners and operators to meet growing demand.

Question 4: The DOE Organization Act states that "In the performance of their functions, the members, employees, or other personnel of the Commission shall not be responsible to or subject to the supervision or direction of any officer, employee, or agent of any other part of the Department [of Energy]"(section 401(d)). If you are confirmed as Deputy Secretary of Energy, do you commit to follow the law and refraining from supervising the Commissioners, employees, and personnel of the Federal Energy Regulatory Commission (FERC) in any way?

Response: If confirmed, I will follow the law, including the Department of Energy Organization Act.

Question 5: In your testimony for your confirmation hearing to become a FERC Commissioner, you said "I will endeavor to live up to FERC's great tradition of flexibility, independence, and collegiality**."** If you are confirmed as Deputy Energy Secretary, do you agree to respect these same tenets, including FERC's independence?

- If confirmed, how would you ensure that DOE actions or policy directions do not improperly influence or pressure the independent decision-making process of FERC commissioners?
- How will you ensure transparent and appropriate communication between the DOE and FERC, particularly when it comes to pending matters before the Commission?

Response: If confirmed, I will follow the law, including the Government in the Sunshine Act.

Question 6: In your previous hearing, in discussing the 2017 DOE Grid Reliability Pricing Rule proceeding, you said "The FERC is not in the business of picking winners and losers and never has been. The objective that we have in regulating our markets is trying to get the most accurate possible price signals to ensure just and reasonable rates." Do you continue to agree with this and commit not to take any action at DOE that would force FERC to pick winners and losers in the markets? (see Tr. At 50)

Response: FERC is obligated to ensure just and reasonable rates. For a rate to be just and reasonable, particularly in FERC-jurisdictional markets, they must afford sufficient compensation to ensure the retention of needed, existing generation and to incentivize the development of new, needed generation, with the attributes necessary to maintain the reliable operation of bulk power systems.

Question 7: Under DOE Act § 404 (42 U.S.C. § 7174), the Secretary has certain authorities that used to be exercised by the Federal Power Commission. But if the Secretary proposes a rule, regulation, or policy statement under a function that used to belong to the Federal Power Commission, he must notify FERC.

- Even in granting the Secretary some authority, Congress made sure FERC could have the final word on significant matters. Do you as Deputy Secretary to follow this law?

Response: Yes, I will follow the law, including the Department of Energy Organization Act.

Question 8: The Secretary has certain emergency authorities. One of those is section 202(c) of the Federal Power Act. The authority in section 202(c) requires an emergency. What is your plan for ensuring that each aspect of section 202(c)(2) is followed and fully taken into account. Do you commit to that?

Response: The Secretary of Energy does have emergency authorities under section 202(c) of the Federal Power Act which allows the Secretary to take actions related to various matters including facility connections, generation, and transmission. While I am currently unaware of specific actions being taken or considered under the Act, I commit to following the law.

Question 9: When you testified in front of this committee for the role of FERC Commissioner, you stated "I agree that the climate is changing."

- Do you agree with your previous testimony and the vast majority of scientists that climate change is real and is caused by human activity?
- If confirmed, do you commit that your decisions on the agency's behalf are rooted in sound science?

Response: The climate is changing. Human activity changes the chemical composition of the atmosphere. Good science is foundational, and is it fundamental to the mission of the U.S. Department of Energy.

Question 10: DOE's Office of Energy Efficiency and Renewable Energy recently published a report titled "2024 EERE Investment Snapshot: Advancing Energy Innovation Across America." This report detailed EERE's impressive investment portfolio, including a map of EERE's almost 2,000 active awards across the country – including an active award in every state. This same EERE report also detailed EERE's progress in reducing costs for American consumers. The median U.S. homeowner can save almost $50,000 over 25 years by installing solar panels, a benefit more widely available due to the 78% reduction in the cost of rooftop solar since 2005 – an achievement that would not be possible without the work of EERE and its partners.

- How do you plan to leverage EERE and its partners' work to deliver savings for American consumers?

Response: President Trump campaigned and won the election in significant part due to his commitment to lower costs for Americans and deliver affordable, reliable, secure energy. I know Secretary Wright is fully committed to this goal and I enthusiastically support President Trump's objective to improve the lives of Americans through better energy policy.

Question 11. DOE also plays an important role in incubating next-generation clean energy technologies that are not yet market-ready, but that could lead to billions in savings for Americans for generations to come.

- How will you approach DOE's longstanding role in fostering energy innovation through investments across the research, development, and demonstration learning curve to ensure the United States remains globally competitive?
- Can you commit to ensuring that DOE's clean energy programs have the resources they need to continue the vital research, development, demonstration, and deployment of next-generation technologies?

Response: If confirmed, I will work to ensure the U.S. Department of Energy is able to support unleashing all forms of affordable and reliable energy and fostering technology innovations.

Question 12: There is ample evidence that increasing demand for electricity - driven by the growth of artificial intelligence and data centers - will strain the grid in the coming years. McKinsey has estimated that electricity demand from data centers alone could reach over 30 GW within 5 years, which could translate into requiring a quarter of all energy demand in states like Texas.

- One of the most cost-effective ways to meet this increased demand is to build additional transmission infrastructure, and the Department of Energy plays an important role. For example, the Grid Deployment Office is supporting 4,000+ miles of new and upgraded transmission lines by 2031. Can you confirm that you will support the work of the Grid Deployment Office so that Americans can have affordable and reliable energy while meeting demand for new industries?

Response: Strengthening, modernizing, and protecting the electricity system and other critical infrastructure is a top priority. I support the objective of hardening the transmission system and look forward to learning more about efforts underway at the U.S. Department of Energy to advance this goal.

Question 13: During Winter Storms Uri and Elliott, increased regional and interregional transmission enabled MISO and SPP to minimize blackouts, whereas the lack of transmission prevented ERCOT and parts of the Southeast from doing the same. Do you support increased interregional transmission to minimize blackouts and save American lives? What measures would you take as Deputy Energy Secretary to encourage transmission buildout to ensure reliability?

Response: Interregional transmission can provide much needed transmission capacity between regions enjoying surplus and regions suffering scarcity. In order to ensure the most cost-effective development of the transmission system, all transmission—including interregional transmission—should be developed in order to improve efficiency (e.g., reducing congestion) or fulfill North American Electric Reliability Corporation (NERC) reliability standards. If confirmed, I will prioritize the reliable operation of the bulk power system.

Question 14: During your tenure at FERC, the commission passed order No. 2222, calling for integration of distributed energy resources in wholesale energy markets, to improve reliability and lower costs by greater competition. Along the same line, recently researchers from Duke University released a report showing that 1% curtailment of peak loads can enable 126 GW of

new demands, which is more than half of expected increase in the coming decade. We know that several energy markets have targets for distributed resources, ERCOT for example, to help them handle peak-hour grid congestion. While you dissented on Order 2222, the fact remains that the electricity sector is facing unprecedented demand growth. Will you commit to support programs that enable all tools for addressing this challenge, including more deployment and integration of distributed resources on the grid?

Response: Modernizing and expanding our transmission infrastructure is critical to meeting the nation's growing electricity demands. As we see new load coming online from advanced manufacturing, data center and other sectors, additional transmission will be needed to ensure that affordable, reliable American energy can reach those communities, businesses, and consumers.

Questions from Senator Ron Wyden

Question 1: With U.S. electricity demand surging – and families feeling the squeeze of skyrocketing power bills – shouldn't our national strategy be to first maximize the fastest, cheapest solutions available? Energy efficiency has already met half of the Northwest's demand growth over the past several decades, saving ratepayers billions of dollars and avoiding millions of tons of CO2 through good old-fashioned American innovation. Isn't it just common sense to wring every last drop of savings from smarter energy use before throwing billions of dollars at costly, slow-to-build baseload generation, where possible?

Response: If we want consumers to have affordable energy, we need a strategy to maximize the availability of affordable, reliable, and secure American energy. Energy efficiency provides solutions to some of the challenge, but it cannot close the gap in meeting our current and projected demand levels. Our core focus must be to increase our availability of base-load sources like natural gas, nuclear and coal.

Question 2: The DOE Organization Act states that "In the performance of their functions, the members, employees, or other personnel of the Commission shall not be responsible to or subject to the supervision or direction of any officer, employee, or agent of any other part of the Department [of Energy]"(section 401(d)). If you are confirmed as Deputy Secretary of Energy, do you commit to follow the law and refrain from supervising the Commissioners, employees, and personnel of the Federal Energy Regulatory Commission (FERC) in any way?

Response: Yes, I will follow the law, including the Department of Energy Organization Act.

Question 3: The energy tax credits passed in the Inflation Reduction Act are part of the long history of Congress supporting energy production through the tax code. Do you agree that the technology-neutral electricity credits reduce the cost of generating new electricity for eligible projects? Do you think that reducing the cost of new generation makes electricity more affordable? Will you commit to reviewing the evidence that connects energy tax incentives to

prices?[1] Do you agree that tax credits to onshore the energy manufacturing supply chain improves U.S. energy security? Do you agree that backtracking on administering tax policy reduces business certainty and results in stranded capital?

Response: As we discussed in our meeting, every tax regime tends to bias or favor one use of capital over another. I would need to understand a full details of any incentive regime in order to evaluate and respond to how it would influence the disposition of capital. As an Article 1 function, it is obviously the authority of Congress to author tax policy, but it is difficult to describe impacts and effects of a particular tax credit provision without knowing the counterfactual.

Question 4: One of the most cost-effective ways to meet increased electricity demand is to build additional transmission infrastructure, and the Department of Energy plays an important role. For example, the Grid Deployment Office is supporting 4,000+ miles of new and upgraded transmission lines by 2031. Can you confirm that you will support the work of the Grid Deployment Office so that Americans can have affordable and reliable energy while meeting demand for new industries?

Response: Modernizing and expanding our transmission infrastructure is critical to meeting the nation's growing electricity demands. As we see new load coming online from advanced manufacturing, data center and other sectors, additional transmission will be needed to ensure that affordable, reliable American energy can reach those communities, businesses, and consumers.

Questions from Senator Maria Cantwell

Question 1: Hanford Nuclear Cleanup Mission
Mr. Danly, on April 11, 2024, the U.S. Department of Energy, Washington state Department of Ecology and the U.S. Environmental Protection Agency finalized a wholistic agreement that includes the January 8, 2025 Order Amending Consent Decree in the State of Washington v. the Department of Energy, et al. Case No. 08-5085-RMP and the January 3 and January 7, 2025 amendments to the Hanford Federal Facility Agreement and Consent Order.

- Will you commit to upholding this holistic and hard-won agreement between the Department of Energy, State of Washington and the Environmental Protection Agency?
- Will you commit to supporting a Department of Energy budget that will allow the Department to meet cleanup milestones under the Tri-Party Agreement?

Response: The Hanford community played a unique and crucial role in protecting the United States during the Cold War and cleaning up the legacy waste at the Hanford site is one of the top

[1] Aurora Energy Research. "Impact of reform to clean energy tax credits on investment, jobs and consumer bills," January 6, 2025; Brattle. "A Wide Array of Resources is Needed to Meet Growing U.S. Energy Demand," February 2025.; NERA Economic Consulting. "Electricity Price Impacts of Technology-Neutral Tax Incentives With Incremental Electricity Demand from Data Centers," February 10, 2025.

priorities for the U.S. Department of Energy. You have my commitment to review the needs of the Hanford site.

I support the Hanford Agreement as a key mechanism to facilitate and guide the Hanford cleanup and to the extent that the U.S. Department of Energy has obligations to discharge, I will work to ensure those obligations are met.

I am very concerned about the layoffs and retirements that have resulted from DOGE at the Department, including at its Richland Office which oversees Hanford. We are losing highly qualified people at Hanford and I'm concerned about the workforce and the ability to meet project milestones.

- If confirmed, will you help ensure Hanford's workforce does not experience reductions that would impact Hanford's ability to legal cleanup milestones?

Response: If confirmed, I commit to review the workforce needs required to meet the Department's obligations.

The Tri-City community near Hanford has been working for decades to leverage assets such as DOE's Pacific Northwest National Laboratory, Washington State University Tri-Cities, Energy Northwest's Columbia Generating Station, and the local skilled workforce to become a leading clean energy hub nationally, with a particular focus on nuclear energy and decarbonized industrial production. Additionally, there are countless opportunities for beneficial reuse of DOE land, facilities, and materials such as the Strontium 90 at Hanford's Waste Encapsulation Storage Facility.

- Can you please share your thoughts on what you envision DOE's role to be in supporting economic growth and diversification in communities near DOE sites?

Response: The Department should evaluate existing sites for future economic development opportunities, and when appropriate, determine viable options that leverage decommissioned locations with existing skilled workforce.

<u>Question 2</u>: Bonneville Power Administration

Mr. Danly, the Bonneville Power Administration delivers cost-effective and reliable electricity to rural and urban communities throughout the West, at no cost to the federal budget. Past administrations have proposed selling Power Marketing Administration's assets, including BPA's transmission. They have also proposed an end to cost-based rates which could increase costs to ratepayers.

As a result of recent personnel actions driven by the so-called Department of Government Efficiency, BPA lost an estimated 356 employees or 11 percent of its workforce through a combination of deferred resignation and the firing of probationary workers. Some of these employees were able to return to work – but BPA was already facing workforce shortages. BPA's headquarters was also included on a GSA list of facilities to be put up for sale.

- Given BPA's unique grid safety and reliability role, which is funded by ratepayers and not taxpayers, do you commit to support exempting their workforce from the current hiring freeze and future reductions in force?
- Do you commit to oppose any proposal to auction off PMA assets, including those owned by Bonneville?
- Do you commit to protecting Bonneville Power Administration's decision-making independence as a Power Marketing Administration?
- Do you commit to working with Congress and customers to ensure the PMAs, including BPA, can continue their statutory mission unencumbered from interference?
- Do you commit to oppose any proposal to eliminate BPA's cost-based rates?

Response: I am not familiar with the full range of impacts upon the workforce, or the factors related to any potential or theoretical sale of Power Marketing Administration's (PMA's) assets. PMAs like the Bonneville Power Administration have played a unique and important role in the U.S. energy system, particularly in delivering federally generated hydropower to consumers, supporting reliability, and providing rural customers in underserved regions access to affordable electricity.

Question 3: **Pacific Northwest National Laboratory**
Mr. Danly, the National laboratories bring tremendous capabilities and intellectual horsepower in key areas of energy and national security including grid reliability, energy storage and cybersecurity.

- Will you advocate for robust resources for our national labs and continued investments in improving the capabilities and infrastructure of our national labs?

Response: The National Laboratories are a scientific treasure for our country, and, if confirmed, I will work to provide resources to fulfill their essential mission.

One example is the cutting-edge capabilities associated with PNNL's Energy Infrastructure Operations Center, which has supported efforts like the Department's North American Energy Resilience Model (NAERM); as well as bringing the Department's AI capabilities to emerging topics of importance including wildfire risk, preparedness, and response.

- How do you plan to fully engage and utilize national labs to improve the reliability, affordability and security of our energy system?
- How do you plan to work within the Department and with our national labs to ensure a modern, reliable and secure grid?

Response: DOE's National Laboratories are an essential feature of DOE's extraordinary cutting-edge research and scientific programs. If confirmed, I will look forward to visiting the PNNL as one of our outstanding examples and being briefed on the current and potential initiatives to improve the reliability of the transmission system.

There are considerable challenges, especially out west, to maintain grid reliability and affordability driven by large increases in demand, including data centers, increased renewable with inverter-based devices like solar and wind and lack of regional planning integrating

transmission and distribution. All of this is happening against the very real backdrop of increasing wildfire threat to our infrastructure.

- How do you plan to ensure the Department will engage regional stakeholders and national laboratories to improve the grid reliability, security and affordability of our country's energy system?

Response: While I am not currently at the Department and have not been fully briefed on current activities, it has been my consistent view that a reliable transmission system remains an essential element of our nation's infrastructure. It is the backbone for critical services, economic growth and basic reliability for homes and businesses. It is key to have robust engagement with a myriad of stakeholders to make sure all data points and perspectives are taken into account as we work to improve and expand the capacity and reliability of our transmission system.

Last year I attended the dedication of the Grid Storage Launchpad (GSL) at Pacific Northwest National Laboratory. As you may know, GSL is a grid energy storage research and development facility that will help accelerate development of next-generation grid energy storage technologies.

- How will you as the leader of the Department utilize GSL to advance America's energy storage competitiveness to eliminate/reduce our reliance on foreign owned critical minerals and foreign supply chain risks?

Response: While I am not currently at the Department and have not been fully briefed on current activities, developing and deepening domestic supply chains to manufacture energy technologies, including for energy storage, will increase grid resilience and I look forward to learning more about this initiative.

Starting in the first Trump Administration, DOE has invested in advancing the role of energy innovation in the blue economy—ports, maritime, marine energy and ocean observation—and advancing our nation's energy security. Some of those key investments have been made at the Department's Marine and Coastal Research Laboratory at PNNL-Sequim.

- Will you commit to continuing DOE's support for these investments, and visit PNNL-Sequim?

Response: While I am not currently at the Department and have not been fully briefed on current activities, if confirmed, I will look forward to learning more about the laboratory at PNNL-Sequim and understanding the advantages and potential of these technologies.

As you know, DOE has a key role to play in AI. In my home state for example, PNNL is a leader in applying AI to grid modernization, advancing scientific discovery in chemistry, and national security. It is critical that DOE is properly included as the Trump Administration approaches AI, including utilizing national laboratory assets.

- How will you ensure that DOE's capabilities are brought to bear in AI, across the Trump Administration and for the nation? How will you ensure that DOE and its national labs can continue advancing AI work?

- As artificial intelligence continues to transform our world, including at our national labs, what role do you see for national labs and the Department of Energy in driving innovation in, and application of, AI technologies?

Response: The Department and its National Laboratories, especially PNNL, are poised to play a pivotal role in new AI innovations, which will have follow-on benefits to the private sector and the public. If confirmed, I stand ready to support such efforts.

The national labs contribute to U.S. national security in many ways; the Pacific Northwest National Lab in my home state is the lab of choice for the Defense Nuclear Nonproliferation program and supports the nuclear deterrent.

- Given the strategic contributions of the labs beyond the traditional weapons labs to national security, what is your view on ensuring that all national labs continue to advance both scientific innovation and national security?
- What role will the Department continue to play in supporting nuclear nonproliferation?

Response: I agree that our National Laboratories are important places for foundational research – leading cutting-edge scientific discoveries. They are also integral to our national security, including ensuring nuclear nonproliferation. If confirmed, I intend to continue these important missions.

The national labs play a pivotal role in advancing a wide range of scientific disciplines, from quantum computing to developing the world's most sensitive instruments.

- What is your view on the importance of continued investment in these research areas at the national labs to maintain U.S. leadership in technological innovation and national security?

Response: As I stated in the hearing, we need to recommit ourselves to America's pre-eminence as the world's leader in science and technology. The National Laboratories, which are the crown jewel of the Department, have been the source of countless advances over the years, both in pure and applied science. These advances and discoveries have driven commercial development, spawned new industries and ensured American prosperity. The National Labs continue to make significant advances, including in quantum computing, AI and fundamental research.

<u>Question 4</u>: Fusion Energy

Mr. Danly, one of the great energy successes we have had in recent years is in fostering public-private partnerships. These partnerships are especially critical for supporting the rapid expansion of newer energy technologies.

- Can explain how you believe the Department of Energy can continue to support the development of public-private partnerships to help the commercial deployment of emerging technologies such as fusion energy.

Response: The U.S. Department of Energy has funded research, development, and deployment with the private sector that has led to significant breakthroughs in energy technology and participated in public-private partnerships on energy demonstration projects. If confirmed, I will

look forward to evaluating existing public-private partnerships in technology innovation to strengthen U.S. competitiveness and energy security.

As the US looks to lead on the development of next generation power technologies, like fusion, but also advanced nuclear, and enhanced geothermal, what role do you envision for the DOE in helping bring these new technologies to the market?

- In particular, what role do you see the DOE Loan Programs Office (LPO) in helping financially support new generation technologies not yet at commercial scale?
- What other actions do you believe the Department of Energy should take to ensure the U.S. remains the world leader in fusion technology?

Response: If confirmed, I look forward to learning more about DOE's Loan Programs Office and other DOE programs directed by Congress to accelerate emerging technology demonstration and scalability. I also intend to evaluate fusion energy research, innovation, and related work underway at the Department of Energy's national laboratories, and if confirmed, I look forward to working with your office on this and other promising technologies.

Fusion energy is an inherently safe and predictable, geographically unconstrained baseload power source that could contribute to the resilience and reliability of America's energy grid right as domestic power demands are increasing rapidly. We are in a global race to develop fusion energy, and in order to maintain energy dominance and global leadership, the U.S. needs to win that race.

As co-chair of the Commission on the Scaling of Fusion Energy, I want to point you to the commission's recently released preliminary report that recommends "the United States should establish an explicit National Fusion Goal of starting construction on the world's first commercial fusion power plant this decade. Achieving this goal would solidify the United States as the world's leader in fusion energy, and catalyze a thriving and ultimately self-sustaining commercial fusion industry."

- Will you commit to reviewing this report that lays out the case for fusion energy and steps we need to take now to ensure the United States is in position to win this race?

Response: Fusion energy holds great potential and has profound geopolitical implications. If confirmed, I look forward to reviewing this report and its recommendations on how to capitalize on recent fusion advancements.

<u>Question 5</u>: Transmission

Mr. Danly, as you well know, FERC estimates that electricity demand will grow by 128 GW nationwide in the next five years, more than 15% from today's levels from a variety of sectors including manufacturing, data centers, and electrification. In Washington State we are expecting demand growth of 30% over the next decade.

Even if we built enough generation tomorrow to meet this new demand, we don't have sufficient transmission to transport moving the power. It currently takes at least 7-11 years to build new large transmission in the United States.

- How will DOE help address the urgent transmission bottlenecks today that are inhibiting economic growth and American leadership on AI?

Response: Lack of electric transmission capacity in some areas is one of the biggest barriers to economic growth, including growth led by manufacturing and AI. The United States has of late failed to build much in the way of new large scale transmission projects. If confirmed, I look forward to learning more about the Energy Department's authorities to accelerate the process for to make timely decisions, so project developers have certainty to make long-term investments to meet growing energy demands.

Lack of electric transmission capacity is one of the biggest barriers to economic growth led by manufacturing and AI, and yet the United States is largely incapable of building new large scale transmission projects: only 55 miles of new high-voltage transmission were built in 2023. Permitting bureaucracy and red tape, myopic electricity system planning processes, and interstate disagreements on how to calculate who benefits from (and thus who pays for) a transmission line have ground new construction largely to a halt.

- How can DOE help address these market barriers to getting new steel in the ground to drive economic growth?

Response: As I stated in my nomination hearing, it has become increasingly difficult to build things in America, including transmission infrastructure. Interminable delays, legal challenges that threaten federal permits once obtained, and an ever-changing regulatory landscape has chilled investment. The Trump Administration is committed to identifying barriers to energy and infrastructure deployment, and if confirmed, I look forward to working to address them.

<u>Question 6</u>: Smart Grid Grants
Mr. Danly, this Committee authored provisions in the 2021 Bipartisan Infrastructure Law to make the U.S. power grid more resilient, adaptive, and efficient. So far, DOE has invested more than $14 billion of the dollars Congress provided to boost the U.S. power grid. Funding that has been matched many times over by the private sector in all 50 states.

Many states have received support through important programs like the Grid Resilience and Innovation Partnerships (or GRIP program) that I originally authored back in 2007.
These investments will have tangible benefits and cost savings of nearly $100 million for electric ratepayers in my State.

- Will you commit to seeing these important grid investments through to completion?
- Will you work to ensure that all remaining funding in these important grid-enhancing programs from the Bipartisan Infrastructure Law are deployed by the Department of Energy?

Response: Strengthening, modernizing, and protecting the transmission system and other critical infrastructure is a top priority. If confirmed, I look forward to learning more about the GRIP program and other efforts and investments underway at the Department to meet the urgency of this challenge.

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Question 7: Transmission Facilitation Program

Mr. Danly, Congress created the DOE's Transmission Facilitation Program (TFP) in the Bipartisan Infrastructure Law to help build out new interregional transmission lines across the country. The TFP is a revolving fund program to provide Federal support to overcome the financial hurdles in the development of large-scale new transmission lines and upgrading existing transmission, which ultimately results in no federal ownership or cost to the taxpayer.

- Do you think the bipartisan Transmission Facilitation Program has been a success?
- Will you commit to supporting it as a tool to facilitate investment in major new transmission lines all across the U.S. at no additional cost to taxpayers?

Response: As I stated in my nomination hearing, the United States needs a more robust transmission system – to meet growing energy demands, to meet North American Electric Reliability Corporation (NERC) reliability standards, and to simply get real power to its destination. While I am not currently at the Department and have not been fully briefed on current activities, I look forward to learning more about the activities of this program.

Question 8: Hydrogen Hubs

Mr. Danly, one of the most widely supported energy investments by Congress has been figuring out how we can accelerate the use of hydrogen.

DOE selected the Pacific Northwest Hydrogen Hub - which was a joint application from entities in Washington, Oregon, and Montana – to serve as a national model of how an integrated, emission free hydrogen network.

- Will you work with Congress to continue the strong bipartisan support for scaling up clean and affordable hydrogen, including championing DOE's hydrogen hub program?

Response: I will work to foster the continued leadership of DOE in supporting the development and successful implementation of energy technologies that deliver all forms of affordable, reliable and secure American energy. If confirmed, I look forward to learning more about DOE's work on the Hydrogen Hubs and understanding your views on the best ways to lead the world in energy innovation and technology breakthroughs.

Recently, there have been concerning reports about so called "hit lists" for different DOE clean energy grants that have been awarded but not fully disbursed. One of the projects on that list is the Pacific Northwest Hydrogen Hub.

- Do you commit to honoring pre-existing grant agreements, when the project terms and technical milestones have been and continue to be met?
- Do you commit that any review of projects be based on merit and meeting the terms of the grant agreement, and in no way based on a political screen that rewards and punishes projects based on hub locations and their political representation?

Response: If confirmed, I will follow the law and work to ensure DOE's obligations are upheld.

DOE's input to Treasury and the White House will continue to play a major role in implementing the hydrogen 45V production tax credit.

- Do you support the hydrogen tax credit that the hubs have said is necessary for their success and for standing up the overall national hydrogen economy?

Response: If confirmed, I will work to foster the continued leadership of DOE in supporting the development and successful implementation of energy technologies that deliver all forms of affordable, reliable and secure American energy.

Question 9: Advanced Nuclear & Fuel Supply

Mr. Danly, my home state of Washington is a key epicenter of advanced nuclear energy in the United States.

TerraPower, based in Bellevue, WA, is leading the way with Natrium, an advanced reactor being built in Wyoming as part of a public-private partnership with the Department of Energy under the Advanced Reactor Demonstration Program, or ARDP. X-Energy, the other ARDP demonstration awardee, is also looking to build a future reactor in Washington.

- Do you agree that we should continue to fully fund ARDP and ensure that the U.S. leads the way on advanced nuclear reactor technology?

Response: I look forward to learning more about the Advanced Reactor Demonstration Program and its potential to spur new baseload power generation, promote U.S. innovation, and counter the growing influence of overseas adversaries. If confirmed, I look forward to discussing the program's timelines, activities, and goals.

High-assay, low-enriched uranium, or HALEU, is set to power the future fleet of advanced Generation 4 reactors. I understand the advanced nuclear energy community is anxiously waiting for the Department of Energy to advance its plan to establish a domestic uranium enrichment supply chain right here in the United States and move away from dependence on countries like Russia and China.

- Will you commit to continue to support DOE's HALEU availability program?

Response: America's domestic supply of enriched uranium is essential for the United States. If confirmed, I will evaluate the Department's current plans and approach to the HALEU program with the goal of making it successful.

Question 10: Surplus DOE Lands

Mr. Danly, I represent communities that support development of advanced reactors as well as critical parts of the nuclear fuel cycle and supply chain. In some cases, surplus DOE lands might be suitable for these nuclear facilities.

- Will you commit to reviewing and supporting where appropriate the use of surplus non-contaminated federal land for new energy development?

Response: Yes, if confirmed, I look forward to reviewing and discussing this issue further with you and your staff.

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Question 11: Wind Power

Mr. Danly, all domestic energy sources, including wind, will be key to meeting upcoming rising energy demand needs.

- Will you support a timely conclusion of the review of Federal wind leasing and permitting directed by the Presidential Memo that halts all Federal permitting of wind energy, even on private land, until that review is finished?

Response: If confirmed, I look forward to delivering upon President Trump's and Secretary Wright's priority to unleash all forms of affordable, reliable, and secure American energy.

Question 12: Battery Supply Chains

Mr. Danly, we need to continue to onshore and diversify American energy and ensure are we not dependent on unstable or adversarial nations. The Washington state battery industry, including companies like Group14 and Sila, have worked with DOE and PNNL for the past decade to do just that, while also providing economic opportunities in our rural communities by building advanced silicon battery material factories in Central Washington. Unfortunately, the vast majority of lithium-ion batteries and energy storage technologies depend on graphite, and 95% of the world's battery-grade graphite is controlled by China. As China further restricts exports to the U.S., the urgency to strengthen domestic battery supply chains, including through these key Washington state factories, only grows.

- Given the rapidly increasing demand for energy storage solutions to support the grid, data centers, and other critical infrastructure, what steps would you take to continue fostering growth and resilience for U.S. battery supply chains, particularly for raw materials and silicon battery manufacturing, that can help end our dependence on Chinese graphite?

Response: I agree that secure and reliable supply chains for critical materials, including critical minerals, are key to a prosperous and competitive economy. If confirmed, I look forward to evaluating ways for the United States to further enhance our supply chains, increase private sector investment, decrease our dependence on adversarial nations, create jobs, and strengthen our national security.

Industries working on battery recycling are also vital to securing our supply chain, as well as being big job creators and more sustainable than primary extraction. DOE has been essential to battery recycling and creating more efficient and sustainable batteries.

- Do you support continuing investments and work at DOE on battery recycling and alternative battery chemistries?

Response: I look forward to learning more about battery recycling and being briefed on current DOE efforts in this area.

The Infrastructure Investment and Jobs Act included funding for the Department of Energy to bolster domestic battery supply chains and manufacturing and recycling capacity. Since it was signed into law, many grants have been awarded for new domestic battery manufacturing facilities to shore up the supply chain. Many companies are in the midst of construction.

- Do you commit to honoring legal agreements for these grants and ensuring projects that have already broken ground will continue to be able to access their grants and receive reimbursements through completion of the projects?

Response: If confirmed, I will follow the law and work to ensure DOE's obligations are upheld.

Questions from Senator Mazie K. Hirono

Question 1: Hawaii is the state with the highest dependence on petroleum and the highest cost of power. Hawaii's energy vulnerability affects our people, our economy, and the Department of Defense installations in our state. With the past help of the Department of Energy, Hawaii is working to move from relying on imported oil for most of its power to using 100 percent renewable power by 2045. Companies in Hawaii are also seeking locally sourced, lower-carbon fuels for aviation and providing power for military installations. If you are confirmed, will you support Hawaii's efforts to become energy independent?

Response: I support Hawaii's efforts to have access to reliable, affordable, secure energy, particularly where it aligns with national defense readiness and economic competitiveness. Energy independence must be pursued in a way that is economically practicable and aligned with reliability. We should focus on practical, cost-effective solutions that reduce dependance on foreign fuel sources.

Question 2: The President has issued Executive Orders limiting renewable energy and favoring fossil fuels. Recent press reports indicate that the Department of Energy is preparing to eliminate grants and loans for certain clean energy projects. Do you acknowledge that when Congress has authorized and appropriated funds for programs that support clean energy projects, the Department must faithfully execute the law and expend the funds for the purposes established by Congress?

Response: If confirmed, I commit to following the law in my duties at the Department of Energy.

Question 3: At the end of January President Trump fired numerous Inspectors General, including IG Donaldson at the Department of Energy. It is estimated that in FY 2023, OIGs saved $93.1 billion in taxpayer dollars, while its budget was $3.5 billion—equating to $26 saved for every dollar spent. The Inspectors General are trained experts in combatting waste, fraud, and abuse to serve the American public and protect taxpayer dollars. They are not political appointees to serve the whims of a President or Cabinet Secretaries. Do you believe that Inspectors General should be nonpolitical? Is their work important to the functioning of the Department?

Response: Inspectors General serve a critical function to provide accountability and oversight across the government. The Inspectors General should also be held to a high standard, no office in government operates without transparency and accountability and, under the Constitution, the President has the authority to remove Inspectors General.

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Questions from Senator Catherine Cortez Masto

Question 1: Mr. Danly, in January – Energy Secretary Chris Wright provided the following QFR response during his nomination process: "The people of Nevada are not in favor of Yucca Mountain, and thus President Trump and I do not support Yucca Mountain as a waste repository."

Should you be confirmed, will you please commit to myself and Nevadans that you'll uphold this position and oppose the unworkable Yucca Mountain project?

Response: The people of Nevada are not in favor of Yucca Mountain, and consequently President Trump and Secretary Wright have not been in support of Yucca Mountain as a waste repository. I agree with President Trump and Secretary Wright regarding the importance of local consent when siting such facilities, and do not support siting the facility in face of local opposition.

Question 2: Just this week, I received outreach from a Nevada-based company that holds a Department of Energy (DOE) contract for funds – which they are matching – to be invested in a partnership with the University of Nevada, Reno in my home state. However, recent actions by DOE have halted this project, causing uncertainty and impacting innovation, job creation, and workforce development. And this is an entity that can contribute to the critical minerals executive order President Trump recently issued.

If confirmed, will you commit to providing immediate, transparent status updates to entities with contracts on hold?

And will you commit to providing me and my staff with a timely briefing on this matter as soon as possible, and ensure that retribution will not be applied to any company that speaks up on this matter?

Response: If confirmed, I commit to a timely and thorough review of projects. I look forward to making sure the department engages with all relevant stakeholders and working with you and your office to provide appropriate updates and information.

Question 3: As you know from your time at the Federal Energy Regulatory Commission (FERC), the nation is currently experiencing an increase in energy demand, and there is an overall consensus that new data centers will not only require greater amounts of energy, but also large parcels of land, access to broadband, and access to water for cooling purposes.

If confirmed, how would you work to convene and coordinate with energy utilities on today's grid challenges, such as growing energy demand, cybersecurity, and supply chain or transmission needs?

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Stable energy prices are critical for large energy consumers, but also for small businesses and families. What specific measures would you take to ensure energy affordability?

Would you be willing to provide technical support to help state and local governments analyze the potential impacts of infrastructure investments for data centers and other large, strategic loads, including assessments of their potential impacts on people and communities?

Response: It is important to have a full understanding of the infrastructure needs and investments required to drive the innovations and development as we have seen in AI, data centers and advanced manufacturing. The Department of Energy should strive to work with local communities to understand the impacts and value of these investments.

Question 4: Research shows that in-school air and traffic pollution plays a role in the development of asthma that goes beyond just triggering health symptoms. That's why I've worked in a bipartisan manner to put this technology in the hands of our nation's schools.

If confirmed, how would you and the Department factor in health impacts for future decisions that might undermine the adoption of cleaner building and transportation technologies?

Should you be confirmed, would you commit to restoring the Department's Renew America's Schools website and ensuring that Districts across the country can apply for funds made available by the Bipartisan Infrastructure Law?

Response: We all support clean air and safe environments for classrooms and schools. I will commit to understanding the department's capacity and capabilities to assess our involvement.

Question 5: During my time in Congress, I've worked with my colleagues to ensure that our Tribes can access critical programs to unlock energy resources on their Reservation and lands.

If confirmed, will you commit to conducting Tribal consultation before any changes are made to DOE programs affecting Tribes?

Similarly, will you commit to support Tribal efforts to access funding and technical assistance for energy projects that Tribes want to pursue?

Response: While I am not familiar with the specifics of the example you mentioned, I support engaging with external partners – including tribal governments, universities and private sector entities – when DOE programs impact them directly.

Questions from Senator John W. Hickenlooper

Question 1: Mr. Danly, President Trump at the end of his first term issued an Executive Order creating a new employee designation, Schedule F, that would have allowed federal employees to be terminated without the right to notice, appeal, or other basic civil service protections. While

you were Chairman at FERC, you reported to the White House a list to classify 50% of the agency's positions as Schedule F employees. No other agency in the entire federal government other than OMB proposed listing more than about 10% of their positions as Schedule F. What criteria did you use to make the determination that 50% of the FERC workforce as Schedule F was appropriate?

Response: FERC has one of the most talented and dedicated workforces in the federal government. The staff of FERC is composed of rate makers, lawyers, scientists and engineers who are routinely called upon to exercise their independent, professional judgment in dispositively deciding matters brought before them under broad delegations of authority covering subjects as varied as electric reliability, the rates charged for the sale of power, litigation in the federal courts, the issuance of notices and orders, the acceptance or rejection of filings, rates charged for transmission service, the amendment of tariffs, and LNG terminal and natural gas pipeline siting and construction. Delegated orders carry the force of Commission orders—they bind the parties and establish legal obligations. Therefore, my belief was that these roles were policy roles .

Question 2: In his first Secretarial Order, Secretary Wright committed to strengthening the nation's transmission system to meet load growth. Despite this commitment, DOE has stalled or threatened funding for awarded projects that would boost the reliability of our nation's electric grid. Do you support investing in our electric grid and commit to fulfilling the financial commitments of the Department of Energy's Loan Programs Office, Grid Deployment Office, and other awarded grants and loans?

Response: I agree that we need to strengthen the transmission system and that we need more baseload power for the stability of the bulk electric system, which is a subject I have talked about frequently when I served on the Federal Energy Regulatory Commission.

It is my understanding that the Department of Energy has a number of different programs designed to either permit the commercialization or help with the improvement of the preexisting facilities that are fundamental to keeping the transmission system working or developing new generation. President Trump and Secretary Wright have both shown great enthusiasm for getting as much new generation online and interconnected as quickly as possible. The Department should use every one of the tools at its disposal to ensure that we have as much generation available and as resilient a bulk power system as possible.

Question 3: Transmission siting and permitting is mired in controversy and litigation, causing significant delays, impacting energy reliability and resilience. If confirmed, how will you ensure transmission lines are being built fast enough to meet our surging energy demand?

Response: Most transmission siting and permitting happens at the state level. For transmission lines, generally, there is federal backstop siting authority. Transmission development has to be part of the solution for meeting rapidly growing energy demand, because as demand grows more generation and transmission will be needed to meet it, both to satisfy North American Electric

Reliability Corporation (NERC) reliability standards and to simply get real power delivered to its destination.

Question 4: We are increasingly dependent on China for critical minerals essential to our economy, energy security, and national defense. I believe that addressing critical mineral supply chains is a bipartisan opportunity in this Congress. Do you agree that China is engaging in market manipulation to maintain its dominance in critical minerals, and that substantial federal investment and support are essential to boost domestic critical materials processing?

Response: I believe we should assume the Chinese central government is aggressively pursuing every opportunity to gain advantage with respect to their economy, defense capabilities, and industrial growth. Critical minerals are an essential element for many of their industrial ambitions. The United States should be taking every step to achieving our own objectives, including development of our critical minerals resources, particularly as it relates to continued advancements with AI and key industries like semiconductor manufacturing.

Question 5: The National Renewable Energy Lab is doing critical work to improve our energy security. I am deeply concerned about how future budget bills could affect NREL and Coloradans. Will you work with me to protect NREL's budget and the jobs of hard-working Coloradans? What role do you see DOE's National Labs, especially the National Renewable Energy Laboratory, playing in accelerating the deployment of next generation energy technologies such as advanced geothermal and nuclear?

Response: As I said in my opening remarks at the nomination hearing, we need to recommit ourselves to America's preeminence as the world's leader in science and technology. The National Labs, which are the crown jewel of the department, have had been the source of countless advances over the years, both in pure and applied science.

These advances and discoveries have driven commercial development, spawned new industries and ensured American prosperity. Recently, the National Labs have made advances in quantum computing, nuclear reactors, and fundamental scientific research that promise a new era of science and engineering. We must recommit to that mission to ensure that America continues to maintain its scientific and technological edge that the citizens of the United States have relied upon for so many decades.

Question 6: DOE's Loan Programs Office has financed over a $50 billion portfolio of innovative energy projects, including for advanced fossil, nuclear, and critical materials projects. The office has a fantastic track record of creating jobs while minimizing financial losses. Will you continue to advance LPO's mission and honor the commitments that have already been made? Would you consider additional focus on particular technologies, such as geothermal or critical minerals?

Response: I commit to providing a thorough review of the LPO's programs and to supporting the objective of President Trump and Energy Secretary Wright's objective of providing affordable, reliable and secure energy resources.