

**Chairman Manchin's Opening Remarks for a Full Committee  
Hearing to Examine the Reliability and Resiliency of Electric  
Services in the U.S. in Light of Recent Reliability Assessments  
and Alerts**

- The Committee will come to order.
- Today we're going to continue this committee's ongoing oversight of the reliability challenges facing our electric grid.
- Reliable energy is foundational for any advanced economy and critical for families and businesses to thrive.
- And when electricity is unreliable, the potential consequences are nothing short of catastrophic, including loss of human life.
- We know that our grid is most strained during the hottest and coldest periods of the year.
- That's why before each summer and winter, the North American Electric Reliability Corporation (NERC) issues a reliability assessment.
- And the latest assessments have been frightening.
- The chart behind me shows NERC's short-term assessment for this summer and the long-term assessment for the next 5 years.

- Both assessments show two-thirds of the country facing reliability challenges as soon as this summer and lasting well into the future.
- This is unacceptable, but it is not surprising.
- I've expressed strong concerns for years that this is what an unmanaged energy transition would look like.
- FERC and NERC have made recent efforts to develop new cold weather reliability standards to put us on firmer footing. These were much-needed steps, but more action is needed.
- And while increasingly extreme weather events are part of the reliability challenge, we're also hearing growing concerns from grid operators across the country about losing our dispatchable generation resources before we're able to replace them.
- I want to take a moment now to remind everyone that all four FERC Commissioners testified just last month that the grid will not be ready to operate without coal power in the near future and if we want to maintain a reliable system.
- Yet through regulation after regulation, the administration seems hellbent on accelerating the premature retirements of our fossil plants.

- That is coupled with gaps in our power market designs that fail to require the right reliability attributes for renewables being added to the grid.
- And excessively long permitting processes are keeping us from bringing any new generation resources online in a timely fashion, whether fossil, renewables, nuclear—you name it.
- It seems the question is not “if” we’ll face another electric reliability crisis but “when,” and the American people need us to do better.
- Let me address federal regulations first.
- There is no doubt that our electric grid is undergoing a transition, both in generation sources and in the types of demand the grid is called on to serve.
- But the speed of this transition must be balanced against reliability and affordability of electricity.
- We know much larger portions of our grid would have experienced blackouts during Winter Storms Elliott and Uri if our coal fleet was retired prematurely.
- During these storms, coal power was one of the most reliable energy sources.

- But this EPA won't let electric reliability inconvenience their anti-fossil agenda.
- Within 6 months of Winter Storm Elliott, EPA's response was to roll out four new regulations poised to shut down 50,000 megawatts or more of coal power over the next decade—whether the grid is ready for it or not.
- EPA is not hiding their strategy—it's death by a thousand unreasonable cuts for fossil.
- For example, if you want to operate a fossil plant, the new proposed rules say you'll need CCUS.
- But the fact is, this administration hasn't approved a single class 6 well permit that would allow captured CO<sub>2</sub> to be securely stored.
- Let me be clear – a requirement to use CCUS with a refusal to issue CCUS permits is a shutdown requirement.
- Congress has charged NERC with protecting the reliability of the electric system.
- But I'm not sure that people are aware that agencies like EPA are not required to— and usually don't—consult NERC about the reliability impacts of proposed new regulations on power plants.

- This makes no sense at all.
- I know my colleague Senator Barrasso has legislation to change that, and I am also working on legislation to address this glaring omission.
- Having our environmental regulator work with our reliability regulator on power plant rules is just common sense if we don't want a catastrophe.
- This is something I would think every member of our committee could support.
- We also know that the pressure on our dispatchable power plants are not just a product of federal regulations.
- It's also driven by state policies and gaps in the way our electricity markets value reliability.
- At it's core, this is a simple math problem.
- We're seeing more dispatchable resources shut down faster than new dispatchable resources are being added.
- We've seen over 90 GW of coal power retire in the last decade, and we could see twice as much dispatchable capacity retire over the next decade on the path we're heading down.

- And by dispatchable, I mean controllable and flexible to meet supply and demand.
- Right now that includes coal, gas, nuclear, and hydropower.
- And in the future it'll include renewables paired with storage, too.
- But the markets aren't valuing dispatchable resources of any type properly to reflect the problem we have.
- And the buck stops at our grid operators like PJM, MISO, and certain utilities who are required by law to ensure NERC reliability standards are met.
- Our markets have allowed renewables to receive the same payments as dispatchable resources without providing the same benefits to the grid.
- I want to acknowledge that PJM and other markets have recently taken initial steps to begin appropriately compensating the reliability benefits of different types of power plants, but much more is needed.
- This can't be more clearly demonstrated than in PJM's recent assessment that 40 GW of existing generation are at risk of retirement by 2030, yet only about 30 GW of equivalent capacity are projected to be added.

- And at the same time, demand in PJM is expected to grow by 15 GW in that window, resulting in declining reserve margins for the first time in recent history.
- So I'm interested to hear our witnesses' perspectives on market changes that would ensure these critical dispatchable resources are not retiring prematurely without adequate, reliable replacements.
- I also believe FERC needs clear authority to keep these reliability-critical generators from prematurely retiring and to issue regulatory exemptions as necessary so that ratepayers aren't being penalized just to keep the lights on.
- Because the impact of these collective EPA regulations is also a fairness issue.
- Take a coal plant as an example, which has already invested tens if not hundreds of millions of dollars on environmental upgrades like scrubbers, baghouses, and low NOx boilers—and now could be required to spend tens or hundreds of millions more, or else shut down.
- The investments already made have useful lives of decades, and ratepayers are going to be on the hook paying for them for decades whether the plant is shut down or not.

- Is this administration, which claims to be focused on equity, blind to the fact their policies are going to harm low income ratepayers in a state like West Virginia by saddling them with unaffordable power while stripping them of reliable energy?
- For generators that must remain online for reliability, we must not penalize their ratepayers by requiring hundreds of millions of dollars in additional environmental controls that will not ever be recouped in the remaining life of the plant.
- I also want to speak briefly about electric transmission.
- The fact of the matter is that large, multi-state transmission lines are needed for reliability, but they are rarely getting built.
- And the wait to connect new generation to the transmission grid is growing at the same time that we need these resources more than ever.
- Wait times went from 2 years in the 2000s to an average of 5 years in 2022. We have over 2 terra-watts—that's 2 million megawatts—waiting in the queue.
- These delays are having real impacts on getting dispatchable generation onto the grid.



- In Doddridge County, West Virginia a new 1,800 megawatt natural gas plant with carbon capture is stuck waiting 68 months to get connected to the PJM transmission system.
- I'm very glad to see important NEPA reforms included in the debt ceiling deal that myself and many members of this committee have advocated for, which will help projects like this complete federal NEPA reviews in 1–2 years.
- But if it takes 5 years to hook into the grid, that could become the bottleneck instead of NEPA.
- So I think more needs to be done to improve federal permitting for all types of energy infrastructure, including transmission.
- I welcome our witnesses' perspectives on how permitting reform for all types of energy can benefit electric reliability—whether it's transmission lines to move electrons between states and regions, pipelines to better supply our gas generators, or anything else.
- Your input will help inform our committee's future work on permitting.

- Our Committee has responsibility for ensuring our Federal power laws and energy agencies are promoting reliable electricity for the nation.
- I'm confident we can develop bipartisan proposals to better equip NERC, FERC, and the electric industry with tools to address the reliability threats the grid is facing.
- All four of our witnesses have provided suggestions for Congress to act in their written testimony—including increasing the involvement of our reliability experts in developing environmental regulations, better management of the pace of retirements, permitting reforms, and several other ideas worth considering.
- So, I look forward to hearing recommendations from each of our witnesses about the most impactful steps we should take.
- With that, I turn to Senator Barrasso, for his opening remarks.
- Thank you, Senator Barrasso.
- I'd like to welcome all of our witnesses to the Committee and thank you all again for being here today.
- Today we have:

- Mr. Jim Robb, President and CEO, North American Electric Reliability Corporation
  - Mr. Manu Asthana, President and CEO, PJM
  - Dr. Melissa Lott, Senior Research Scholar and Director of Research, Columbia Center on Global Energy Policy
  - David Tudor, CEO and General Manager, Associated Electric Cooperative
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- Mr. Robb, we'll begin with your opening remarks.
  
  - Next we'll go to Mr. Asthana.
  
  - And Dr. Lott
  
  - Finally, Mr. Tudor
  
  - We'll now begin with questions.