

Testimony of James P. Danly

before the

United States Senate Committee on Energy and Natural Resources

April 2, 2025

Thank you, Chairman Lee, Ranking Member Heinrich and members of the Committee. It is a pleasure to appear before this committee once again.

I am deeply honored to sit before you today as President Trump's nominee for Deputy Secretary at the U.S. Department of Energy.

Before I begin, I would like to recognize my family and friends in attendance. Behind me sits my wife, Frankie. Like the last time I appeared before this committee, our son, James is not in attendance because he is an active—and talkative—boy. For both Frankie and James, I want to recognize the sacrifices that the families of those in public service make—they are profound. Thank you for your support and indulgence over the years that I have served in government and the Army, especially when I was in Iraq. I also have friends here, including colleagues from throughout my career, among them the lawyers who first taught me energy law, and my advisors from my time at FERC.

As the Committee is aware, the Department of Energy performs a number of critical functions: the National Labs ensure that the United States is, and remains, at the cutting edge of science and technology, the Department is responsible for the nation's weapons stockpile, it manages environmental clean-up at legacy waste sites, and it promotes the development and deployment of energy sources and infrastructure.

I believe my prior roles as general counsel, commissioner, and chairman at the Federal Energy Regulatory Commission give me a unique and important vantage point on how to achieve the President and the Secretary's shared vision of ensuring affordable, reliable and secure energy for the American people. The utility and natural gas industries, the subjects I regulated while at FERC, are a critical component to achieving those goals.

No doubt, we face profound challenges. Demand for energy is growing and we come to face difficulty in producing and delivering it to ensuring America's prosperity and safety. There are also great opportunities. America is blessed with the most abundant energy in the world, the best technical minds to harness that potential, and a private sector that stands ready to invest the capital, build the infrastructure, and produce the energy we desperately need. We stand on the brink of an energy renaissance in which we can replace growing energy scarcity—at home and abroad—with energy abundance for the United States and its allies, improving the lives of our citizens while ensuring our geostrategic position.

There are specific areas of interest I would like to briefly focus on.

First, it has become increasingly hard to build things in the United States. We face an acute need to build all kinds of infrastructure throughout the country, but the Federal permitting regime has become nothing short of an impediment to that development. Interminable delays, legal challenges that threaten federal permits once obtained, and an ever-changing regulatory landscape had come to chill investment. The result? Infrastructure projects take longer to build and are increasingly expensive or—worse—never get developed in the first place. It will be difficult to achieve our goals of ensuring affordable, reliable, and secure energy to the American people without tackling the problem of federal permitting.

Second, we face an acute need for more electric generation. The United States is experiencing unprecedented demand for electricity. And that demand is increasing at an ever-accelerating pace. Data centers, AI, and reindustrialization have brought load onto the system at a rate that has never been seen before, and it shows no signs of slowing. Meeting this demand is not optional. Maintaining our strategic position in the world requires that American have access to affordable, reliable, and secure energy in abundance. I have spent the better part of a decade regulating the energy markets and the reliability of the bulk electric system. I can report that we have systematically failed to sufficiently compensate baseload generation that we can ensure the retention of needed existing generators let alone enough to incentivize the development of new, dispatchable resources in the quantities needed to meet this growing demand. This challenge must be solved

Third, 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 of Energy, have been the source of countless advances in science, both pure and applied, that have driven commercial development, spawned entire industries, and ensured American prosperity. More recently, the National Labs have provided advances in quantum computing, nuclear reactors, and fundamental scientific research that promise a new era of science and engineering. We have to recommit to that mission to ensure that America continues maintains the scientific and technological edge that we and our citizens have relied upon for so many years.

Chairman Lee, Ranking Member Heinrich, and members of the Committee: thank you again for the opportunity to appear before you. I look forward to your questions.