

OPENING STATEMENT
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of the Subcommittee on Energy

House Committee on Science, Space, and Technology
Resiliency: The Electric Grid's Only Hope
October, 3, 2016

Good morning and thank you, Chairman Smith, for holding this important and timely hearing today.

I would also like to thank this distinguished panel of witnesses for being here this morning. I'd like to thank Dr. Dillingham in particular, whose home and family, I understand, were directly impacted by Hurricane Harvey. Dr. Dillingham, I hope that you and your family are well on the road to recovery at this point. I look forward to hearing both your professional findings and your first-hand account of how storms like these can cause significant harm to communities across the country.

I'm also interested in learning what we can do to improve their ability to restore power and other essential services as quickly as possible. Hurricanes Harvey, Irma, and Maria are unfortunate examples of events that our world's leading scientific institutions have warned us would happen more often. If we are not able to sufficiently reduce the emissions that are the leading drivers of climate change, we are likely to see even more in the future.

It is difficult to attribute any single storm to one specific cause, but there is a strong scientific consensus that human activity is responsible for conditions that lead to more frequent and intense hurricanes. The severity of these events will continue to get worse unless we change our trajectory. This is a major reason that resilience is so important, and I am glad that we are elevating our examination of this topic today.

With that said, I am concerned with how the Department of Energy may actually be using and redefining grid resiliency to accomplish a political agenda. Just last Friday, DOE submitted a proposed rule to FERC with the direct purpose of adjusting market rules to favor coal and nuclear plants because they may have several weeks of fuel on site. The Department asserted that this makes these plants more resilient than natural gas and renewables, and therefore deserve extra compensation for this attribute.

Now, to be clear, I am a very strong supporter of developing and incentivizing carbon capture methods and technologies. It will help us responsibly use the abundant fossil fuel resources our nation has at its disposal, including coal. I also support the development and deployment of next generation nuclear technologies while doing what we can to safely extend the lifetime of our current fleet. But that doesn't mean that we should unfairly favor coal and nuclear without a strong, independently reviewed justification.

The Department has leaned on its recently released report on the electric grid for its justification. But, the lead author of that report, Alison Silverstein, pushed back against this mischaracterization of her work. According to conversations she had with Committee staff, the

bulk of her work remained intact after she handed it to the Department. However, the final report's specific recommendation supporting coal and nuclear plants due to their resiliency characteristics was NOT justified by any research that she or her colleagues were aware of. In a piece she published in Utility Dive yesterday, Ms. Silverstein took issue with how DOE interpreted her technical work in the staff report.

I would like to enter this article in the record.

In it, she states, "The characteristics, metrics, benefits and compensation for essential resilience and reliability services are not yet fully understood." Specifically, she concludes that at this point we cannot say that coal and nuclear have unique characteristics that provide such significant resiliency benefits that they should receive special treatment in the market. This conclusion is also echoed by a thorough analysis released by the conservative R Street Institute on Sunday, which found that this proposal is "neither technically nor procedurally sound." R Street summarized it as "an arbitrary backdoor subsidy to coal and nuclear plants that risks undermining electrical competition throughout the United States."

And a story published in Energy and Environment News on Friday titled "Flooded Texas coal piles dampen reliability arguments" is a prime example of why this proposed rule may not have been as rigorously developed as it should've been. Nevermind the fact that, in addition to doing what we can to ensure the resiliency of the grid, the cost of unmitigated pollution from fossil energy plants should also be incorporated into its costs. Propping up coal for one insufficiently justified reason without properly pricing a major cost of its development and use to our public health and the environment is not what I would call good policymaking.

Before I conclude, I would like to note that while natural disasters are a considerable threat to our grid infrastructure, there are a number of other concerns to keep in mind. In particular, cybersecurity, physical attacks, aging infrastructure, and geomagnetic disturbances also present unique challenges to grid resiliency.

I look forward to the discussion on all of these topics today.

Finally, I would be remiss to not remind my Majority colleagues that we are fast approaching the end of the year and we have still not had the Secretary of Energy testify before the Committee – or any DOE leadership for that matter. With all the Texans here, I imagine Secretary Perry would feel right at home. It's our responsibility to provide Congressional oversight for the valuable research activities at the Department and I hope we will have the Secretary come testify soon.

Thank you, I yield back.