



**Opening Statement**  
**Senator Maria Cantwell (D-Wash.)**  
**Committee on Energy and Natural Resources**  
**Hearing on Accountability and Reform**  
**June 9, 2015**

“Thank you, Madam Chair, for calling this hearing and for gathering such a strong group of witnesses across a broad array of issues in the general categories of energy accountability and reform proposals.

“To me, accountability in energy markets starts with data—arming consumers, industry, policymakers and regulators with the kind of information about our energy systems and markets that help all of us make smart decisions. This is particularly important at this point in time when our energy systems are in major transition, as was outlined by Secretary Moniz in the Quadrennial Energy Review.

“One of the legislative proposals before us today (S. 1420, the Energy Markets Act) would boost the Energy Information Administration’s (EIA) ability to collect data on important energy trends both in the physical and financial energy markets. It would establish the Office of Financial Markets Analysis at EIA, along with an interagency working group on energy markets that would span the Department of Energy and the Federal Energy Regulatory Commission (FERC), along with regulators at the Securities and Exchange Commission, Commodity Futures Trading Commission and the Department of Treasury.

“I bring this up because there are some in the House that would actually roll back important consumer protections. This is particularly concerning because this committee, in a bipartisan fashion, crafted legislation in response to the western energy crisis that we were able to implement and I think that it’s been good legislation and worked well.

“But last week, the head of enforcement at FERC testified that current proposals pending in the House would hinder the agency’s efforts to pursue market manipulation cases. Since this committee led the effort to put in place a ban on market manipulation in the 2005 energy bill, FERC has returned almost \$1 billion to consumers and the U.S. Treasury for market infractions and unjust profits.

“So it would seem that some in the House are more motivated to help Wall Street banks and their attorneys, who have complained that FERC is just being too tough on them.

“I find it ironic that at the same time that a credit agency is probably headed towards an expiration – and these people support that expiration – they are also now trying to undermine what are the appropriate actions of FERC and energy market regulators to protect consumers from market manipulation.

“So when we talk about accountability, I hope my colleagues will agree—holding industry accountable to just and reasonable rates and markets free of manipulation is just what the American consumers want us to do.

“In our role as an authorizing committee, it is also our job to review existing federal programs—to assess what’s working, what’s not working and whether the agencies within our purview have set the right priorities.

“Judging by the number of proposals before us today, it seems obvious that prioritizing innovation and investing in the kinds of technologies that will grow jobs and our economy is something we should be able to agree on.

“The American Energy Innovation Council—which I think we will hear about from Mr. Augustine—has suggested we ought to triple our current annual investments in energy related research and technology.

“That’s because today, the federal commitment to energy research development and deployment (RD&D) is less than one-half of 1 percent of what consumers in this nation spend in energy costs.

“It’s because the U.S. RD&D needs to keep pace with international investments needed to diversify our energy sources in the future.

“We’ll hear from Mr. Augustine that China is expected to surpass us in the next five years in research funding; and now the United States ranks 29th among developed nations where federal R&D is concerned.

“So, if we’re holding ourselves accountable, we will look at how we compete globally. The House recently passed a version of the America COMPETES legislation that would actually cut ARPA-E research funding in half. I don’t think that’s how we compete. And, in fact, one of my constituents, Bill Gates and the CEO of Cummins led a charge two or three years ago to say that ARPA-E funding should actually be increased in a significant way, if we are going to usher in a new era of innovation and job growth. The Department of Energy also needs to make sure that we are collaborating on a variety of issues with ARPA-E.

“It seems to me, our colleagues in the House seem intent on rolling back the clock—in a way that seriously undermines our nation’s long-term competitiveness.

“We had one of the top science advisors to President Roosevelt (Vannevar Bush), when launching the Manhattan Project, write that ‘advances in science when put to practical use mean more jobs, higher wages, shorter hours. ... But to achieve these objectives—to secure a high level of employment, to maintain a position of world leadership—the flow of new scientific knowledge must be both continuous and substantial.’

“I couldn’t agree more. That’s why I’m so pleased to welcome to the committee today from the northwest Commissioner Colleen MacAleer from the Port of Port Angeles, in Washington state. The commissioner and her colleagues are working on innovations in composite materials that help improve fuel efficiency, whether we’re talking about automobiles or aerospace—and that market is expected to grow to \$26 billion by next year. So the Department of Energy’s Advanced Manufacturing Office and its national laboratories work with economic development and local government entities like the Port and translate their scientific capabilities into real-world economic value is something that we need to talk about today in helping to move our energy efforts forward.

“I think it’s also important and very timely that we talk about our investments in cyber security. Last week, we discovered that more than 4 million federal employees’ personnel files were hacked; this breach only underscores the persistent and constantly evolving cyber threat. And so it’s very important that we talk this morning about that particular issue as it relates to the grid because it is a target. The Department of Energy has an underappreciated role in addressing this threat and has piloted ways to engage industry in technology development, information sharing and supply chain security. So I hope that we can talk about RD&D and efforts for enhanced grid security on today’s agenda.

“So thank you, Madam Chairman, and I thank the witnesses for being here today to talk about this very, very broad subject area that we have here before us.”

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