

Hearing on the reliability, resiliency, and affordability of electric service in the United States amid the changing energy mix and extreme weather events

Thursday, March 11, 2021

Senator Joe Manchin's Opening Statement

- Turning now to our hearing, let me begin by saying that I think we can all agree that reliable, affordable, and dependable energy is a hallmark of an advanced economy, critical for businesses and residential consumers alike to thrive.
- Our North American electric grid is a marvel of engineering and the envy of the world.
- But ongoing and increasing changes in the generation mix and outside forces like cyber threats and weather events that test the grid also highlight the importance of a *resilient* grid.
- This topic is squarely within the jurisdiction of this committee, and it's critical that we, State and local governments, and grid operators around the country be two steps ahead in planning for these changes and threats and how to ensure we strike the right balance between resilience, reliability, and affordability.
- At the top of everyone's mind is the recent winter storm that brought Siberian weather to much of the country.

- In West Virginia, over 100,000 people lost power, mostly due to downed distribution lines and poles.
- Of course the impact on Texas has gotten the most publicity, with 4.4 million Texans without power for days, resulting in billions in damages and billions more in sky-high energy bills and, tragically, dozens of deaths.
- I understand the Texas Legislature has held several hearings and they're working to get to the bottom of why the Texas grid was so unprepared to weather the storm, as are NERC and FERC.
- And the Texas grid operator, ERCOT, has provided us with a written statement, which I'll ask unanimous consent to enter into the record now and I encourage all of our members to read it.
- But let me be clear – today's hearing is not a referendum on Texas.
- We've seen the impact of extreme weather events to our electric grid across the country, whether that be the 2014 Polar Vortex, the extreme heat in California last summer, or the extreme cold around the country last month.
- We need to incorporate all of the lessons learned from those events into our future planning.
- Particularly as we can expect both our energy mix and weather patterns to be different in the next decade than they were in the last decade.
- As part of that future planning, we need to take into account the need for a diverse fuel mix with a broad array of emissions reducing technologies, and include an honest assessment of where our weak

spots are and where we need to invest with an eye to balancing the costs of reliability and resilience with affordability.

- I've said time and time again that we need to address climate change and we have to do it through innovation, not elimination.
- And as a staunch proponent of an all-of-the-above energy policy, I want to emphasize that we need to be thinking about all of our fuel sources.
- We've got to use all the resources we have in the cleanest way possible, but we need to be eyes wide open that none of them are 100% immune to weather disruptions, whether that be freezing wind turbines, disruptions to our natural gas production and delivery systems, or frozen coal stockpiles – all of which we saw happen just last month.
- And that may take investment in weatherization and infrastructure, which of course comes with a price tag and leads me back to affordability.
- Reliable, resilient power does us no good if families and businesses can't afford it on a daily basis.
- And while we typically think about this in terms of the cost of a kilowatt hour, we also cannot deny the incredible cost associated with major disruptions.
- By that I mean not only the potential loss of life, but also the price tag that comes with scarcity and rebuilding or repairing infrastructure – both energy and otherwise.

- Although not labelled as such, those costs are passed along to all of us – whether through utility and service bills or through our taxes.
- We truly can't sacrifice reliability, resiliency, or affordability when it comes to our electricity if we want to continue to thrive.
- It's incredibly important that we strike the right balance between all of these attributes as we look to the future.
- There isn't one answer to that equation, but you sure know when you've gotten it wrong.
- I look forward to hearing from our panel of witnesses about exactly what happened in recent grid outage events, what lessons we should learn from them, and what we should all be thinking about moving forward to strike the right balance.
- So let me welcome our panel, who bring their expertise to help make sense of the unique and common challenges experienced across the grid.
 - Mr. Jim Robb, President and CEO of North American Electric Reliability Corporation
 - Mr. Mark Gabriel, Administrator and CEO of Western Area Power Administration
 - The Honorable Pat Wood III, CEO of Hunt Energy Network and former FERC and Texas Public Utility Commission Chairman
 - Mr. Michael Shellenberger, Founder and President of Environmental Progress

○ Mr. Manu Asthana [“As-tana”], President and CEO of the PJM Interconnection

- Thank you all for being with us today, in person and virtually. I look forward to your expert analysis and the discussion today.
- With that, I’ll turn it over to Senator Barrasso for his opening statement.