



Opening Statement
Hearing on the Performance of the Electric Power System
During Recent Winter Weather Events
Chairman Lisa Murkowski
January 23, 2018

Thank you, Senator Cantwell. My apologies to our witnesses as well as our committee members – we’ve had a busy morning in Alaska this morning. I’m told all is well, but I appreciate more than ever the value of things like the earthquake and tsunami early warning systems. It’s important that they’re there and that they were actually operating, now that the government is back to order.

Last week, I outlined the busy agenda we will have this year. And while we will maintain our focus on legislation and nominations, oversight is also a critical part of our role. We’re obligated to examine the performance of agencies under our jurisdiction –today is an opportunity to gauge whether federal policy is helping or hindering improvements in energy system performance.

While it may not have been up to Alaska standards, the cold, snow, and ice endured by many in the lower 48, especially along the Eastern Seaboard, was quite notable over the holidays and into the New Year. While the worst of it occurred over and on the shoulders of a holiday period, and we didn’t reach the extremes felt in the 2014 polar vortex, we did experience a so-called “bomb cyclone” event.

I understand that a bomb cyclone is a cyclone storm system in which the pressure drops precipitously in a short period of time. Apparently these happen relatively often off the northeast coast but this recent storm was a record-breaker, with the largest pressure drop in a 24-hour period since 1976. As such, it presented a kind of informative stress test for the electric power system.

I’ve often said that federal law and policy must enable energy to be affordable, clean, diverse, and secure. With this hearing, we return to a subject I’ve been following keenly since at least 2010 – how changes in the nation’s electric grid and the mix of primary electricity sources are stressing system reliability, and what federal changes may be necessary to address those stresses. The Secretary of Energy’s Notice of Proposed Rulemaking, issued in September, and the recent FERC Order in response were focused on these same issues.

In 2014, following the polar vortex, we held a similar hearing to examine challenges to the electric system. I said then that we needed to redouble a properly-scaled and continuously-

improving approach to grid reliability and security. I'm pleased to see that today's testimony shows that there were many lessons learned from that extreme weather event. For example, there now appears to be improved coordination between the electric and gas systems. The RTOs and FERC have reformed market rules and improved business practices. NERC has updated its approaches. And that is all good news.

The bad news is that we have not addressed the more difficult and fundamental challenges for electric and gas infrastructure. For example, gas pipeline infrastructure remains too constrained. Broader policy changes are not sufficiently taking into account increasing risks that, in future years, system operators may have to turn to intentional service interruptions – otherwise known as “load shedding” or rolling blackouts or brownouts – to manage certain peak periods. One of our witnesses will speak about the situation in New England, which in some respects could serve as a harbinger of challenges in other parts of our nation.

We must ensure that our nation's natural gas supply – a boon to our economy and to our national security – can be reliably delivered to a changing marketplace. At the same time, it's not clear what the reliability and economic impacts will be of a grid whose primary electricity resources are less diverse over time, as baseload nuclear and coal units continue to retire.

Meeting all of these challenges, while also strengthening competition for the benefit of energy customers, should be a shared priority. After all, promoting competition has been a tenet of federal electricity policy that has enjoyed wide bipartisan support for more than two decades and should remain so.

This morning we will hear from leaders of two agencies under our jurisdiction, FERC and the Department of Energy. We will hear from the heads of three regulated entities with quasi-regulatory responsibilities, the North American Electric Reliability Corporation or NERC, and two regional transmission organizations, PJM and ISO New England. We also have a member of a committee of the National Academies of Sciences, Engineering, and Medicine with us.

So I welcome each of you to the committee this morning, and look forward to your testimony. I would ask that you try to limit your testimony this morning to about five minutes, full statements will be included as part of the .

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