

Statement of Honorable Robert F. Powelson
Nomination Hearing
U.S. Senate Committee on Energy and Natural Resources
May 25, 2017

Good morning Chairman Murkowski, Ranking Member Cantwell, and members of the Senate Energy and Natural Resources Committee. I am deeply honored to be here today as a nominee to the Federal Energy Regulatory Commission. I would like to thank President Trump for this incredible opportunity. I would also like to extend a personal thank you to my home state Senator Pat Toomey for his generous introduction. I am proud to be a Pennsylvanian for many reasons, including the Commonwealth's rich tradition of bipartisanship and collegiality among its congressional delegation.

I would like to recognize my wife, Lauren, and my sons, Ryan and Shane, and thank them for their steadfast and unwavering support throughout this process. Ryan regrets that he is not able to attend today's hearing, as he is on a mission trip to Central America with classmates. My family and my faith have been the cornerstone of my success as a public servant, and I am very appreciative of the support they have given me.

To the members of the Committee, thank you for conducting today's hearing and for taking the time to meet with me over the past few weeks. I recognize and appreciate the hard work of this Committee on energy issues that affect the lives of Americans every day. I am extremely honored by the nomination, and I look forward to answering your questions and discussing some of the important energy issues facing our nation. If confirmed, I will bring a steadfast commitment to upholding FERC's mission to ensure that the rates and terms of service by which utilities operate are just and reasonable and will do my part to uphold the public interest standard to which the agency is bound.

For the past eight and a half years, I have served as a public utility commissioner in Pennsylvania, and I believe that experience makes me well suited to be a FERC Commissioner. I was appointed to the Pennsylvania Public Utility Commission in 2008 by Democratic Governor Ed Rendell and was approved unanimously by the Pennsylvania State Senate. In 2011, Republican Governor Tom Corbett appointed me to serve as Chairman. In 2014, I was re-nominated by Governor Corbett to serve a second term and was unanimously confirmed by the Pennsylvania Senate.

During my time as chairman, the Pennsylvania Commission accomplished a great deal that I am proud of, including measures to address pipeline safety and aging utility

infrastructure. Pennsylvania was one of the first states in the nation to implement a Distribution System Improvement Charge (DSIC), an innovative ratemaking tool that has helped Pennsylvania utilities proactively address the aging infrastructure problem. Ensuring that our nation's utility infrastructure is in sound operating condition is not only a reliability issue, but a safety issue. I am proud that, during my tenure, we were able to expand the Pennsylvania Commission's authority to enforce federal pipeline safety laws under Act 127 and hire eight new pipeline safety inspectors. Pennsylvania is home to the Marcellus Shale play, one of the world's largest natural gas formations. As chairman, I oversaw the implementation of Pennsylvania's "impact fee" legislation. To date, the Pennsylvania Commission has collected and distributed over \$1 billion in impact fee revenue to the counties and municipalities across the Commonwealth.

During my tenure at the Pennsylvania Commission, I also oversaw the successful implementation of Act 129, Pennsylvania's energy efficiency and conservation law, whereby Pennsylvania reduced its electric consumption and peak demand over the course of several phases. Pennsylvania is currently implementing Phase III of Act 129, which is projected to result in a savings of 6,629,460 MWh across the Commonwealth and achieve net benefits of approximately \$1.5 billion over the lifetime of the efficiency measures installed. I also helped implement a state law requiring the Commonwealth's electric distribution companies to procure a portion of their electric generation from renewable resources. Today, Pennsylvania acquires 13 percent of its electricity from these alternative resources, which is up from six percent in 2007.

Throughout my career, I have been a steadfast supporter of competitive markets. In 2010, the Commission initiated a Retail Markets Investigation, which resulted in numerous enhancements to the competitive electricity and natural gas markets. Pennsylvania is a restructured state, and, thanks to competitive electric and gas markets, Pennsylvania consumers have enjoyed some of the lowest energy rates in the nation, not to mention innovative product offerings and a robust generation mix.

In 2012, the Pennsylvania Commission played a key role in the Hurricane Sandy restoration effort, which was a national success story because of our storm preparedness efforts and the work done by utilities' mutual assistance crews in the Commonwealth. In 2014, the Polar Vortex hit Pennsylvania, as it did the rest of the East Coast, and resulted in price spikes for many utility customers. In response, the Pennsylvania Commission undertook extensive efforts to improve consumer protections and utility disclosure requirements.

Beyond my experience in Pennsylvania, I am also the president of the National Association of Regulatory Utility Commissioners (NARUC). Founded in 1889, NARUC is a non-profit organization dedicated to representing the state commissions that regulate our nation's utilities. With over 200 state commissioners as members, NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation. In working with state commissions across the country, I have gained an appreciation of the diversity in utility regulation that exists across the 50 state compact. What works in Pennsylvania does not necessarily work in other markets, and, should I be confirmed, I will continue to value the variety of perspectives that the states bring to an issue.

My experience as NARUC president and state commissioner has prepared me well for the complexities faced by FERC. It is an exciting and challenging time to work in the energy sector, and FERC plays an important role in navigating these issues. It is a great honor to be nominated, and, if confirmed, I would be committed to taking an impartial and fair-minded approach to carrying out the duties and obligations of the position of FERC commissioner.

Thank you for your consideration of my nomination, and I look forward to your questions.