

Commissioner Neil Chatterjee  
House Committee on Energy and Commerce  
Subcommittee on Energy  
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Thank you. Good to see you, Chairman Upton, Ranking Member Rush, distinguished members of the subcommittee. Thank you for the opportunity to appear before you today to discuss the important work FERC is doing to ensure that the American people have access to reliable and affordable energy.

As a former congressional staffer, it's always a pleasure to be back on Capitol Hill. I would like to note that while I came to the Commission from the Senate, I began my career here in the people's House, and never allowed myself to become a Senate snob. I can't say the same for all of my former colleagues. I appreciate the subcommittee's attention to the major energy issues facing our nation, as well as its interest in the role the Commission plays in addressing them. I'd like to focus my remarks today on our efforts regarding reliability and the Public Utility Regulatory Policies Act of 1978, or PURPA, and to touch briefly on a few of my other priorities.

I'll begin with a look at an area of energy policy affecting families and businesses across the nation on a daily basis: Reliability. Congress delegated to FERC responsibility to approve and enforce mandatory reliability standards for the grid and with our partners at the North American Electric Reliability Corporation, we remain committed to that endeavor. Our reliability standards have progressed considerably since they first became mandatory and enforceable just over a decade ago. And today they form an effective baseline for addressing day-to-day grid reliability issues like tree trimming, relay setting, communications, system planning, and emergency operations.

Another way the Commission works to maintain reliability is through our oversight of jurisdictional wholesale energy capacity and ancillary services markets. For example, the Commission has recently taken a number of actions to ensure all new generators provide essential reliability services such as voltage and frequency control. Those efforts are a good start, but more work remains. Because of historically low natural gas prices and technological innovation, our country is experiencing rapid, unprecedented changes in its generation resource mix. These trends promise tremendous benefits to consumers through lower prices and greater choice, but they also highlight the need for vigilance as we ensure that reliability is not adversely impacted.

I've been pleased to see the important work that ISO New England has done in this regard through its assessment of fuel supply vulnerabilities in its footprint. Its analysis is an excellent example of how RTOs and ISOs should proactively evaluate their specific regional risks. I expect the implications of fuel security for grid reliability and resilience will continue to be areas of interest for the Commission. Finally, the

Commission is also taking action to address other emerging threats such as physical security, geomagnetic disturbances, and electromagnetic pulses. FERC and NERC have made important strides in these issues and the Commission remains actively engaged with our government partners and other stakeholders to improve our knowledge of these threats and evaluate creative ways to address associated risks proactively.

Now turning to the second topic I'd like to address, which is PURPA. Today's energy environment is fundamentally different from that of 1978, when PURPA was enacted. Because of this, many stakeholders are rightly asking whether changes to PURPA are needed to better align it with our modern energy landscape. While significant changes will require congressional action, I believe the Commission should review our existing regulations to ensure they fulfill PURPA's mandate of fostering the development of renewable and cogeneration resources while protecting customers and competition.

Before I close, I'd like to take a moment to touch a couple of additional issues that I view as priorities. First, the Commission's current review of the 1999 certificate policy statement. As FERC considers how we evaluate natural gas pipeline applications, I'm committed to ensuring that we have an efficient and transparent process that encourages landowner participation. From my perspective, our review should build upon our process improvement efforts under the recently signed MOU implementing Executive Order 13807, One Federal Decision Policy. Second, I'd like to emphasize my continued commitment to securing our grid against cyber attacks. While the administration is taking laudable steps already, I believe these challenges will continue to grow. I strongly support the Commission's approach to addressing cyber threats, which consists of mandatory standards as well as voluntary best practices and information sharing. Still, more work remains and I look forward to continued cooperation with my colleagues at the Commission and our partners across the government.

I want to take my final seconds to commend this committee, in particular, for the work that you guys have done to really look into the significant issues not just by holding this hearing, but Chairman Upton, under your leadership the past couple of years, this committee has tremendous work to bring focus to these enormously complex issue areas. As an alumnus of Congress, I believe firmly in the legislative branch's coequal role in our government. And now having the good fortune to serve the American public at the Commission I've come to realize that in dealing with these enormous challenges, we are constrained by the statutes that govern us. You all can take a leadership role in addressing some of these complex issues, and I look forward to working with you and your colleagues to do that in the future.