

Commissioner Richard Glick  
Senate Committee on Energy and Natural Resources  
United States Senate  
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Thank you Chairman Murkowski, Ranking Member Cantwell and members of the Committee. Thank you for the opportunity to testify this morning. I'm honored to be appearing again before the Senate Energy and Natural Resources Committee.

I've been a member of the Federal Energy Regulatory Commission for approximately six months. During this time, FERC has continued its efforts initiated several years ago to eliminate barriers in jurisdictional markets to new technologies. For example, in February the Commission voted unanimously to approve a final rule requiring regional transmission organizations and independent system operators to facilitate electric storage participation in wholesale electric markets as has been mentioned by a couple Commissioners already.

By eliminating barriers to electric storage participation in RTO and ISO markets, the final rule will facilitate the development of a class of technologies, such as batteries and pumped hydro, that has the potential to play a leading role in the transition to the electricity system of future. As the cost of electric storage continues to decline, these resources are poised to become a bigger part of the generation mix leading to the development of a more robust, reliable grid that can, among other things, help to accommodate the ever-increasing demand for clean, renewable energy.

The notice of proposed rulemaking that led to the final rule on storage also proposed reforms to remove barriers to aggregated distributed energy resources such as solar rooftop panels. Although the final storage rule recognized the importance of removing barriers to their participation wholesale markets, the Commission concluded that it needed additional information before issuing a final rule addressing aggregated distributed resources. To gather this information, the Commission conducted a two-day technical conference in April that examined the potential participation of aggregated distributed resources in wholesale markets and the benefits that these resources can provide. I believe we now have the record needed to move forward with the final rule.

Madame Chairman, a significant amount of emphasis has recently been placed on the resilience of the bulk power system. Many observers suggest that we need to avoid becoming reliant on any one source of electric generation. Diversity is a worthwhile goal and one that we are increasingly realizing. For example, in PJM the resource mix is more diverse than it ever has been with wind, solar, hydro, coal, oil, natural gas, nuclear, energy efficiency, and demand response all clearing in the most recent capacity auction. Renewable resources are responsible for much of this increased diversity as their increasing cost effectiveness is causing utilities and their customers to choose renewable resources over more traditional technologies.

The Southwest Power Pool set a new record this past March when it served 62% of its load with wind energy at one time. Similarly, solar energy met 50% of the demand of the California Independent System Operator in March, a new record for California. These new technologies also offer a variety of benefits beyond their contribution to the diversity of the resource mix and the reliability and resilience of the grid. They contribute to economic growth and significantly reduce greenhouse gas emissions. Large technology companies, automobile manufacturers and retail corporations, among others, are increasingly investing in renewable generation, both because it is cost effective and because their customers want products that

are made with clean energy.

I recognize that the sea-change also creates uncertainty for the future of older technologies that may no longer be as cost-effective. The closure of uneconomic generation plants may lead to the loss of jobs and tax revenues in communities in which they are located. I am sympathetic to the plight of coal miners who have been disproportionately affected as culture of the generation mix has declined. Many of these same considerations extend to individuals employed at recently or soon-to-be decommissioned nuclear power plants.

We have a history in this country of helping those who through no fault of their own have been adversely affected by technological and market change, but that is a responsibility of Congress and the state Legislatures. It's not the role the Federal Power Act provides to the Commission. FERC has a responsibility to ensure the reliability and resilience of the grid and we should take our duties seriously. But we cannot try to stop the natural evolution of this industry by claiming that there is a national security emergency, unless there is evidence to suggest that an emergency actually exists.

Finally Madame Chairman, I want to associate myself with Commissioner Chatterjee's comments regarding pipeline cybersecurity. We need to strengthen the security of our natural gas pipelines, and Commissioner Chatterjee and I agree that Congress should consider whether pipeline should be subject to mandatory cyber and physical security standards and whether the TSA is the appropriate agency for overseeing pipeline security.

Chairman Murkowski, Ranking Member Cantwell, thank you again for the opportunity to appear here today. I look forward to answering your questions and the questions of your colleagues.