

**Edward J. Markey Opening Statement
Full Committee Oversight Hearing
“Increased Electricity Costs for American Families and Small Businesses:
The Potential Impacts of the Chu Memorandum.”**

April 26th, 2012 at 10:00 a.m., room 1324 Longworth

Thank you, Mr. Chairman.

When it comes to modernizing America’s electric grid, our Power Marketing Administrations have and must continue to play an important role in moving our nation towards a cleaner, smarter, and more efficient electrical generation, transmission, and distribution system.

Last month, Secretary Chu announced a vision for moving our federal power marketing administrations forward to be leaders in building America’s Powerhouse.

I believe that the devil is in the details on how we accomplish these grid modernization goals and how we continue to meet the Power Marketing Administration’s unique missions.

But you can’t get anywhere without a vision and a plan. The Secretary’s announcement is a first step that lays the foundation for renewable energy, energy efficiency, demand response, smart grid, and other innovations to become fundamental pieces of our electricity system.

The Power Marketing Administrations can and should work towards these objectives. In fact, in testimony before the Subcommittee, the Bonneville Administrator—Stephen Wright—told us that they’re already doing it!

Yet Republicans oppose this vision. Where Secretary Chu sees opportunity for efficiency and improved access to transmission and increased market

competition, Republicans see a different opportunity. They see an opportunity to restrict the ability of clean energy and demand response to compete in the market. They see a political opportunity to engage in conspiracy theories about the Administration trying to raise energy prices.

Republicans are so committed to the idea that modernization equals higher energy costs that they wrote it directly into the title of today's hearing.

Unfortunately, Republicans have missed the point. Better planning, wider coordination, and using the best technologies are ways of ultimately reducing costs to consumers. Secretary Chu understood this, which is why he wrote it into the second sentence of his memo: "Taking greater advantage of energy efficiency, demand resources, and clean energy – WHILE AT THE SAME TIME REDUCING COSTS TO CONSUMERS – requires a transition to a more flexible and resilient electric grid and much greater coordination among system operators."

Here's the reality: the Chu memo is about competition. It's about free and fair and open markets. It's about economic efficiency. It's about all the things Republicans pretend to be for. But today, Republicans didn't invite their free-market friends from the Heritage Foundation and the Cato Institute to testify. That would make it much stickier to defend inefficiency, socialist power systems, and restrictions to free competition.

Also notably absent from our hearing today is a representative from the Department of Energy. While I supported the Chairman's request that the Secretary himself be here in person today to explain his memo, I do not support the Chairman's decision to not allow any other representative from the Department to testify in his place.

There are legitimate questions to be asked about exactly how this vision can and should be implemented.

Not having the Department present to address those questions makes this a venue ripe for conjecture and misinformation. So I do hope we have the opportunity to hear directly from the Department on this subject in the future.

Here's the bottom line the way I see it: Thomas Edison—the father of the light bulb and the first power plant—would still understand much of our electrical grid if he were alive today. We have a long way to go in adapting the infrastructure and operating systems to allow a level playing field for new companies, new business models, and new technologies to take hold.

I thank the Chairman for calling this hearing and I hope it is the first of many the Committee holds to examine ways in which our Power Marketing Administrations can be positive forces of change in the operation of our nation's grid.