

NORMAN BAY
SENATE ENERGY & NATURAL RESOURCES
CONFIRMATION HEARING MAY 20

Chair Landrieu, Ranking Member Murkowski and distinguished members of the Senate Energy and Natural Resources Committee, I am honored to be here today as a nominee for the Federal Energy Regulatory Commission. I would like to thank President Obama for nominating me to this position, and I also thank Chair Landrieu and Ranking Member Murkowski for holding this hearing.

I also owe a special thanks to Senator Domenici who is a long-time senator from New Mexico, is still called St. Pete by his constituents and is still absolutely down to Earth, as a former baseball player ought to be. I am honored to appear before this committee with Acting Chairman LaFleur. And I also wish to thank my wife, Yuri Chyama, who's here today in the committee hearing room.

I'm proud to call myself a New Mexican. New Mexico is an amazing place to be. It's a place of great natural beauty. It is also blessed to have an abundance of natural resources, including the sun, wind, oil, and gas. But despite its natural beauty and its natural resources, unfortunately New Mexico is one of the poorer states in the United States. As a result, developing all of our resources matters.

It matters to the local economy, the state economy and, in turn, the national economy and the energy security of the United States. New Mexico is also home to two National Labs -- Los Alamos and Sandia -- that do the kind of cutting-edge research that leads to technological innovation and breakthroughs that enhance our energy security. In my view, New Mexico is a real-life example of an "all-of-the-above" approach to energy.

Not only am I from New Mexico but, as Senator Domenici noted, I am the child of immigrants. My parents left China to come to the United States after World War II in search of a better life, higher education and freedom. In the United States, my parents proceeded to have a large family. I have three brothers and four sisters. My parents worked hard to support us and to put us through school. My father worked for the Air Force; my mother was a researcher at a Department of Energy facility.

From my parents, I learned the value of hard work, education and public service, of giving back something to this country that had been so good to us. I've spent my life in public service, with a bipartisan commitment to good government. I clerked for a Republican federal judge, worked at the State Department during the Reagan administration and began working at the Justice Department in the first Bush administration. In 2000, I was nominated by President Clinton to be the United States attorney in New Mexico and was confirmed by unanimous consent of the Senate. After DOJ, I went to the University of New Mexico School of Law, taught there for seven years and received tenure.

In 2009 I became the director of the Office of Enforcement at FERC. It has been a great honor to work at FERC. The Office of Enforcement not only investigates potential wrongdoing, including market manipulation, but is also responsible for doing market oversight, analytics and surveillance for the commission. As director, I have been immersed in the wholesale physical gas and electric markets as well as the financial or derivatives energy markets that settle off of physical prices. While I've been the director, the commission has issued 49 settlement orders, with 48 being reached by unanimous vote. Every market manipulation settlement has been issued by unanimous vote. These settlements have helped protect consumers, ensure the integrity of the markets and provide a level playing field for all market participants.

If confirmed, let me tell you what my priorities would be in light of the challenges ahead. First, to be fair, balanced and pragmatic in addressing issues, to decide cases on the merits, based on the facts and the law, and to be consensus-oriented. Second, infrastructure. FERC plays a critical role in permitting and incenting the development of infrastructure. Right now, as Chair Landrieu noted,

there's an important need for more infrastructure, both in terms of gas facilities and electric transmission. Third, competitive markets. To continue to look for ways to improve the efficiency of the markets and to deliver greater value to consumers. Fourth, reliability. This is another critical responsibility for FERC. Not only does this encompass physical security and cybersecurity, but it includes gas-electric coordination issues as well.

Thank you for giving me this opportunity to testify before you today. I welcome any questions you have.