

TESTIMONY OF JOHN R. NORRIS
NOMINEE TO BE A MEMBER OF THE FEDERAL
ENERGY REGULATORY COMMISSION

Before the
Committee on Energy and Natural Resources
Of the
United States Senate

March 20, 2012

Chairman Bingaman, Ranking Member Murkowski, and distinguished members of the Committee, I am honored to be here today as a nominee for the Federal Energy Regulatory Commission (FERC). I would like to express my appreciation to President Obama for nominating me to this position and I want to thank Chairman Bingaman and Ranking Member Murkowski for holding this hearing.

I am also pleased to be here today with my fellow FERC nominee, Tony Clark. I have known and worked with Mr. Clark since my time as Chairman of the Iowa Utilities Board, beginning in 2005, and I have the highest regard for his abilities and his long-time commitment to public service.

I am grateful to have had the opportunity to serve my country the past two years as a member of the Federal Energy Regulatory Commission. I would be honored if allowed to serve an additional, full five-year term. The energy issues we are working on at FERC are critical to America's economy and to the safety and well-being of our citizens. I believe the experience I have gained in the past two years, along with my years as Chairman of the Iowa Utilities Board, are assets that I would bring to further service. In addition, I have worked for the U.S. Congress, and in both the state and federal executive branches, all of which provided important experiences that help me weigh policy choices. I also believe my experiences outside of government have given me valuable perspective that I bring to the Commission. For example, as a small business owner, I had to understand and comply with government regulations. And, perhaps most importantly, I earned a "degree" in "common sense" growing up working on our family farm, and that experience has always and will always ground my judgment and decision-making. When it comes to making any decision, but particularly when it comes to our energy infrastructure, I am grounded in the realization that, in the end, it has to work.

While we can debate economics, due process, and other important issues with policy implications, in the industries we regulate, physics provides a reality check on what we can do if we want our complex, interconnected energy infrastructure to work. I strive to find the correct balance among economics, due process, and the limits and reality of the physics in all decisions before me.

However, every month of my service at the Iowa Utility Board and as a Commissioner at FERC, I write one question on top of my desk calendar to answer for in every decision I make: “How does this decision benefit the consumer?”

I believe, for example, that consumers benefit from a reliable and efficient electric grid. I believe they also benefit when there is an open and honest discussion of the costs to maintain a reliable grid. So, I take very seriously FERC’s responsibility under the Federal Power Act to work with the North American Electric Reliability Corporation (NERC) to develop and enforce reliability standards, and have worked to help strengthen our relationship with NERC and its stakeholders and foster an open and transparent dialogue of critical bulk power system reliability issues.

I have also worked to achieve for the benefit of consumers the efficiencies of a fair and transparent wholesale competitive market, and to see that consumers are protected from harm through the firm and fair enforcement of rules prohibiting market manipulation under legislation enacted by Congress in 2005.

I believe we have made progress during my time at FERC to increase efficiencies in the transmission of electricity to consumers, but more work remains to be done. Open and transparent regional transmission planning processes that include a diverse set of interests and that find the most efficient solutions for maintaining reliability, relieving economic congestion, and meeting public policy directives will yield a more efficient and cost-effective supply of energy for

consumers. I also believe there are efficiencies to be gained from increased coordination among regions to find locations where jointly planned and constructed transmission facilities, with a fair allocation of the costs of those facilities among benefiting consumers, will result in a more efficient energy system.

In addition to our nation's existing energy assets, I believe the United States has tremendous potential to make our energy supplies more sustainable and secure. The increased supply of natural gas from shale gas discoveries, technology advancements that are bringing down the costs of wind, solar and other renewable resources, an abundance of hydroelectric power, and the continued push for energy efficiency and demand side resources all hold great promise to modernize our infrastructure and build a sustainable energy system for the future of America. With much of our energy infrastructure quite old and in need of upgrading or replacement, the timing is right to seize this potential.

At FERC, we can help seize this potential not only through the wholesale electric market and electric transmission policies I note above, but also by continuing to build on our impressive track record of fairly and efficiently siting needed natural gas pipeline infrastructure, by providing flexible licensing procedures for new hydroelectric technologies, and taking other steps to ensure that new energy infrastructure can be brought online at just and reasonable rates. My continued goal will be to make sure we meet our needs for today and the

future in the most efficient way possible, for the benefit of consumers and America's economy.

Thank you again for the opportunity to testify before you today and I am happy to answer any questions you may have.