

Chairman Jon Wellinghoff
House Energy and Commerce Committee Hearing
Impacts of the Environmental Protection Agency's
New and Proposed Power Sector Regulations on Electric Reliability
September 14, 2011

Thank you Mr. Chairman and members of the committee. I appreciate the opportunity to be here and testify before you today.

Electric reliability and environmental protection are both important to this country's future. The issues are related as, for example, regulations that the EPA recently finalized or is considering will affect the operation of some generating units.

With sufficient information and time, the electric industry can plan to meet both its reliability and environmental obligations. Most notably, existing planning authorities with developed modeling capabilities have or could obtain all the necessary data and tools to analyze the potential local and regional reliability impacts stemming from the EPA regulations.

These planning authorities provide the appropriate forums for addressing this issue. Some are already taking steps to account for implementation of these EPA regulations. For planning authorities to conduct these analyses, they need early notice of retirements to accurately identify and address reliability issues.

The Commission also has a role to play with respect to electric reliability. In general, the Commission has used its existing authority in the past to protect reliability. To this end, the Commission has overseen the establishment of mandatory and enforceable standards that protect the reliability of the bulk-power system.

Looking forward, the Commission does and will, for example, review studies to determine the changes that occur due to changes in mix and location of resources in a region, as well as planning-related proposals that account for implementation of these EPA regulations. The Commission also can and will share our staff's expertise with the EPA when appropriate. Commission staff has had numerous consultations with EPA staff on issues related to these EPA regulations, including informal assessments that each has conducted.

The Commission staff's informal assessment of generator retirements is inadequate to be used as the basis for decision making. More generally, it is important to recognize that although the Commission is well-suited and able to perform its statutory duties, including those with respect to reliability, it does not possess the data or the models necessary to replace the industry's individual and collective planning processes in addressing the potential local and regional impacts of these EPA regulations on electric reliability.

That completes my summary of my testimony. Thank you Mr. Chairman.