

U.S. Senator Maria Cantwell

**Statement at Senate Committee on Energy and Natural Resources Business Meeting to
Consider the Nomination of David M. Turk to be the Deputy Secretary of Energy**

March 11, 2021

CANTWELL: Thank you, Mr. Chairman. Obviously we so appreciate you and the ranking member having a hearing to fill these important posts. While we have made progress at the Hanford DFLAW, this current slate of Deputy and other directors at DOE will still have a very big role in moving us forward on clean-up at the Hanford Nuclear Reservation.

So I encourage any of my colleagues who want to delve more into that or visit I, I am inviting you and the Ranking Member to come specifically to the Tri-Cities. We've already invited the Secretary and the nominee before us and this is just such a big responsibility for the United States really, really you know in the two billion a year range. And I know it's hard for people to imagine but we called on this part of the country to do their job during World War II.

MANCHIN: Yeah, you ought to explain because you have the history on this to some of our newer members about Hanford. What role we played and what we left them with.

CANTWELL: And obviously my colleague from New Mexico could also talk about the role that they played, and other colleagues could talk about [this]. Our former colleague Senator Alexander could discuss it, but the point is now we're also left with the clean-up responsibilities. And while that exists within the State of Washington, it is not the State of Washington's responsibility, it's a federal responsibility. The State of Washington, I think, does a good job at the Tri-Party Agreement, trying to hold us all accountable and meeting certain milestones so we can get it cleaned up.

And so I also appreciate that the Secretary yesterday made further announcements at the PNNL lab on battery and storage capacity research that the National Labs are doing there so they're playing their part. We've got to get the cleanup done and move on to the other challenges that that we face. So I very much appreciate this nominee's commitment during the Q&A about his commitment to making sure that they would live up to those milestones and as I said, it's a very complex problem that often times people think there's just a better way to do it or do it on the cheap. Well there just isn't. And so we made great progress on the facility, now we have to get it operational. So I hope that anybody who wants to come and visit there, I encourage you to do so.

I think with my colleague from New Mexico, we did create a National Historic Park between the 3 locations in the United States to tell this story, and I think we have a little more work to do on that as well. I think we have to do a little more work with DOE and our national park system to make those sites more accessible to the public, which obviously is a challenge because it's a security area as well as well as something we want the public to have access to.

So Mr. Chairman I'm hoping that we found another member or that they're on their way.

U.S. Senator Maria Cantwell

Questioning at Senate Committee on Energy and Natural Resources Hearing on the Reliability, Resiliency, and Affordability of Electric Service

Witnesses: James B. Robb, President and Chief Executive Officer, North American Electric Reliability Corporation; Mark A. Gabriel, Administrator and Chief Executive Officer, Western Area Power Administration; The Honorable Pat Wood, III, Chief Executive Officer, Hunt Energy Network, Former Chairman, Federal Energy Regulatory Commission; Michael Shellenberger, Founder and President, Environmental Progress; Manu Asthana, President and Chief Executive Officer, PJM Interconnection

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CANTWELL: Thank you Mr. Chairman. Thank you for holding this important hearing. I'm definitely for a smarter, cleaner, more secure, more resilient grid. I personally think that that takes a level of investment. We've had a couple of big studies recently talked about. There was an MIT study and then a University of California study that investing 100 billion in transmission expansion could achieve a higher, cleaner grid and help use wholesale cost.

So I was wondering if I could get you gentlemen to give me an assessment of whether you think modernization of our grid is an investment we should be seeking. And do you think that the private sector will make those investments, or are we talking about some federal cost-share here? And do you think that that is in the tens of billions of dollars, hundreds of billions of dollars? How would you characterize the modernization and the investment that we need to make? And if you could just go quickly that'd be great. So, I'm asking you, do you believe we need that investment, at what level, and what's the mix—the mix of federal and private investment?

WOOD: I'll jump in Senator Cantwell, and it's a great question. We do need the backbone. If there is any part of the vision from the president and from many in the industry, we're going to need it to be enabled by substantially stouter transmission grid that will move the resources from where they are to where the people are. And I think that's probably a nine-figure number. It's a lot of money. But it's over time, and it's, quite frankly as we learned in Texas, when you spend money on transmission, you save a lot more than you spend on getting low-cost power into your power system.

ROBB: So I'll go next, you know, this country has remarkable natural resources all around the country. They're not always near where people live, where the power needs to go. And this concept of a national transmission grid is something that's very worthy of consideration. We have not studied the reliability impacts of it other than to note that diversity is reliability's friend. So that's a good thing. I would probably concur with your assessment as to the cost of it. I think the gating factor though, that I think this committee needs to be aware of is that is probably not the need for transmission or the desire to fund transmission, but the ability to cite transmission that is the biggest obstacle to the development of that system.

CANTWELL: Well, certainly.

GABRIEL: I'm happy to comment as well, senator. Look, I think the industry has done a pretty good job investing in what I'll describe as traditional transmission. I think what we also have to look at and understand is, how can we use the existing transmission system differently. For example, there are seven ties between the eastern and western grid that are perfect examples of 1980s technology, which could clearly be upgraded and quite frankly, could be done within a two to four year time frame. So we'd have some immediate benefit there.

I also think that in addition to, obviously permitting takes time and funding is important, but right now there's a bit of a challenge with getting people to agree to the offtake. Transmission construction requires long-term, offtake agreements. The agreements are, folks are hesitant to get into that. So something can be done clearly to incent folks to agree to take the power. That would really, I believe, free up the entire situation.

CANTWELL: Thank you. Thank you, I'm going to skip Mr. Gabriel because I actually think I know what he thinks, but I mean just being the Western Power Grid, I kind of think I know what you've been up to. I just want to point out though that Texas, I understand that 96% of its projects in the ERCOT Pipeline are either wind or solar. So I you know with Texas being an ultimate free market I mean, it tells me something that people are going after that.

But I would like to talk about, where did the money go in Texas? Mr. Wood, it's good to see you again obviously you and I talked a lot about the Western energy crisis and where the money went in that situation, but I want to understand because according to watchdog firms, Texas power markets overcharged energy users or \$16 billion dollars. That left prices at 9,000 per megawatt-hour grid emergency standard for longer than necessary. Are you familiar with this analysis and do you agree with those conclusions?

WOOD: I am familiar with the analysis. I think that the conclusions quantify as if every megawatt-hour been sold at 9,000. Of course 90% of the business in Texas is done bilaterally by contract, so I think number customers were exempt from that.

CANTWELL: That's what I'm actually worried about, that the consumer here, just like in the Western Energy Market, so, do you think consumers should be reimbursed?

WOOD: That issue, the legislature is having a hearing on it today. Where I in that seat, I would have agreed with the independent market monitor.

CANTWELL: Do think that there are—do you know of any Enron traders who were involved in both the Texas and California markets that are employed in ERCOT trading now?

WOOD: I will have to check. I'm not aware of any.

CANTWELL: Well look, I think Mr. Chairman, I think I think we've seen what happened here, at least in the detail, and I'm not talking about the crisis itself but in the aftermath, and I think we just need better tools to protect consumers and businesses from these kinds of spikes in rates. Mr. Wood knows that I fought diligently against our state having to pay 3,000 times the rate in long-term contracts that were fraudulently manipulated so we passed laws here to try to protect

people. Mr. Chairman, you said it best—price gouging should not be tolerated in these kinds of emergencies. Thank you, Mr. Chairman.