

FUTURE OF ELECTRICITY: Committee Leaders Launch Long-Term Review of the Federal Power Act to Ensure Nation's Electric System Equipped for 21st Century Challenges

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[Press Release](#)

In Kicking Off Review, Upton and Whitfield Write Nation's Energy Regulator On Current and Future State of Electricity Markets

WASHINGTON, DC – Continuing the Energy and Commerce Committee's ongoing efforts to modernize government for the innovation era, full committee Chairman Fred Upton (R-MI) and Energy and Power Subcommittee Chairman Ed Whitfield (R-KY) today sent a [letter](#) to Federal Energy Regulatory Commission (FERC) Chairman Norman Bay regarding the current and future state of organized electricity markets. The letter kicks off a long-term effort to begin to ensure the nation's electrical system is prepared to handle the challenges of the 21st century.

In kicking off the effort, Upton and Whitfield commented, "The electricity sector is transforming due to many shifts driven by market, regulatory, and technological developments. All the while, consumer expectations continue to evolve on how electricity is generated, transmitted, and distributed around the country. Electricity is vital to the country's economic and national security, and as the market advances, it is imperative that we are prepared for 21st century challenges. We look forward to closely examining these issues and having a formal hearing in the coming months."

In the letter to FERC, Upton and Whitfield write, "As you know, the Committee has followed with keen interest the many market, regulatory, and technology changes currently affecting the electricity sector. Given the importance of electricity to our national security, our national economic interests and our basic health and welfare, both the Committee and the Commission have the critical responsibility of ensuring that, regardless of any present and future changes, consumers continue to receive reliable and affordable power."

The leaders also posed five questions to better understand the current state of electricity markets:

1. Have the competitive markets fared as expected since restructuring began over 20 years ago, particularly in terms of market efficiency, capital investment, reliability, electricity rates, and consumer impacts?
2. Are the competitive markets equipped to promote, integrate, and adapt to new technologies, new products and services, and state and federal policy changes?
3. What is the Commission's view as to how non-FERC jurisdictional federal and state actions, such as the federal production tax credit or state renewable energy mandates, impact the operation of wholesale markets generally, and, specifically, in terms of impacts on reliability, resource and technology neutrality, and wholesale power prices?
4. How do new technologies, programs, incentives, and policy changes at the state and federal levels affect the jurisdictional "bright line"? Is that line becoming increasingly blurred as a result of such changes?
5. Does the Federal Power Act continue to be well-suited for today's electricity sector? Is it well-suited for the electricity system of the future?

The committee plans to hold an introductory oversight hearing in the coming weeks. More information will be available [here](#) as it becomes available.

To read the letter online, click [here](#).

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