Senator Joe Manchin III

WIRES Fall Member Meeting 2020

Thank you Larry, for the kind introduction and for inviting me to join the WIRES Fall Member Meeting. To say this has been a difficult year would be an understatement - we're in the middle of both a health care crisis and an economic crisis right now and we've lost nearly 230,000 lives to the Coronavirus. And none of us are immune – each and every American and the businesses that are so critical to our economy have been impacted.

This comes at a time when the energy industry is also undergoing a transition as customers are demanding cleaner energy to address climate change. But that doesn't mean that we can sacrifice the attributes of our current baseload fuels.

And that is where our energy challenge lies - maintaining affordable, reliable, and dependable energy while also reducing emissions, and ensuring that hardworking families and communities that have powered our nation to greatness aren't left behind in the transition. There's no silver bullet, we're going to need a variety of solutions to ensure we can meet this challenge both at home and around the world, where fossil fuels are going to be used for decades to come.

That's why I say we need innovation, not elimination. And that's why I've spent the last two years working alongside my good friend, Chairman Lisa Murkowski, to develop a comprehensive, all-of-the-above energy innovation package. The American Energy Innovation Act truly is a bipartisan package; it includes 53 bills that 72 Senators have sponsored or cosponsored that have gone through Committee process. It would invest $24 billion in innovation to advance key technologies like renewable energy, advanced nuclear, cybersecurity, energy storage, grid modernization, and carbon capture, removal, utilization, and sequestration. It would advance technologies that can reduce emissions in four sectors of the U.S. economy that currently contribute about 90 percent of the nation's overall greenhouse gas emissions.

These varied solutions are necessary for us to reach any goal for reducing greenhouse gas emissions. They would also strengthen the United States' position as an exporter of the technologies other countries will also need to tackle this global climate problem. Although we haven't gotten it done just yet, Senator Murkowski and I are working with our colleagues on both sides of the aisle and in the House and remain committed to getting the American Energy Innovation Act enacted this year.

The Energy Committee has been a shining example of bipartisanship this Congress, and I'm looking forward to continuing to work in that spirit next year with my new Republican partner, as Senator Murkowski will be term limited. That culture of bipartisanship means finding common ground, and there's no shortage of things we can get to work on in the New Year after we clear the decks and get the energy bill enacted. That includes continuing to make improvements to the reliability and resilience of the electric grid, which is really the life blood of industry and our everyday lives.

This past August, I was in Houston when the power went out for hundreds of thousands of Texas and Louisiana residents in the wake of Hurricane Laura. And I know we all followed how an extreme heat wave and another horrific wildfire season impacted millions of Californians this

summer. Just this week wildfires are forcing power outages affecting hundreds of thousands of people. These are not new threats but increasing scope and frequency of these weather events are very concerning. We can and should be better prepared for these types of weather and wildfire related disruptions.

Another thing we know is that the energy mix is changing with more intermittent renewable generation coming online and more retirements of older fossil generation units. Higher penetration of intermittent renewables brings with it new challenges – that's exactly why cost-effective energy storage is a critical technology to advance. And that's also why a more flexible and modern electric grid is needed, both of which are addressed in the American Energy Innovation Act. In addition to advancing innovation as it relates to the changing electric grid, I think there is a good argument for investment in grid infrastructure to help us meet our challenges.

We know that transmission is an essential component of a reliable and resilient grid because we know what happens when congestion disrupts the system. My own state of West Virginia has a long and successful history of building the energy infrastructure – including transmission lines – it needs to bring its resources to market. In addition to cost-effective energy storage, long distance, interregional transmission can be the key to accommodating more intermittent generation on the grid without sacrificing reliability or affordability.

DOE's National Renewable Energy Laboratory recently made a compelling case that the benefits outweigh the costs three-fold of investing in additional connectivity between the country's three major regional grids. Interregional transmission planning remains a challenge, however, and I'm interested how the process can be improved. I know permitting and siting remains a concern which is why we should be looking into using Railway rights-of-way and underground transmission. If done in the right way, expanding transmission can be an economic boon for rural communities. I expect transmission to get a good deal of attention next year. I know there are several bills that seek to advance transmission by improving the interregional planning process at FERC or extending the investment tax credit to transmission.

Speaking of FERC, we have two very qualified nominees to approve and I'm optimistic we can take care of that important business in the Lame Duck. I think we can all agree that the best FERC is a fully seated FERC.

I also serve as Ranking Member of the Senate Armed Services Cybersecurity Subcommittee, so I'm very focused on the security of our energy infrastructure. We need to invest early and often in protections to avoid, mitigate, and respond to events that challenge our grid's resilience, and thereby our national resilience. You all know well that threats to critical infrastructure are serious and increasing.

In recent months, federal officials have warned of rising cybersecurity threats from China and recent reports indicate that Russia has shown renewed interest in targeting the U.S. power grid.

This summer, the National Security Agency and the Cybersecurity and Infrastructure Security Agency issued an alert urging critical infrastructure operators to "take immediate actions to secure their operational technology assets." Legacy grid systems were not designed to defend

themselves against modern cyberattacks and, as they grow more and more connected to the internet, our electric systems grow more and more vulnerable. There are certainly opportunities for Congress to facilitate action in this space. I am proud that the American Energy Innovation Act includes several pieces of legislation that support investments and programs that are of vital importance to securing and protecting our critical energy infrastructure.

One of those is my and Senator Murkowski's PROTECT Act, which would establish incentives for electric utilities to invest in advanced cybersecurity technologies. It's critical that these important programs can be put into action. We still have a lot to do to bolster the physical and cyber security of our electric grid.

Let me finish by saying that groups like WIRES have a central role to play in helping us navigate the policy, legal, and technological challenges. Your perspective is valuable, and I encourage you all to work with us on the Energy Committee to find common solutions. Thank you, again for inviting me to talk with you today. I look forward to answering any questions you might have.