

**Opening Statement of the Honorable Fred Upton**  
**Subcommittee on Energy and Power**  
**Hearing on “The 21st Century Electricity Challenge: Ensuring a Secure, Reliable and**  
**Modern Electricity System”**  
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*(As Prepared for Delivery)*

America is currently enjoying an energy renaissance, and we are all better for it. But this resurgence is not limited to just oil and natural gas. In fact, the nation that created the modern electricity system is poised to reinvent it – bringing with it the potential benefits to both electricity producers and consumers all the while helping to keep the American economy competitive in the decades ahead.

Utilities are spending billions of dollars each year modernizing the grid and making it smarter. These job-creating technology and infrastructure projects are an integral part of our architecture of abundance, and will give us an electricity system that can better serve the current and future needs of users - from homeowners to small businesses to major manufacturers.

Our potential is exciting. The same information technology revolution we have seen in our smart phones and in many new business models can be applied to create an electricity system that is more secure, reliable, efficient, integrated, and responsive to user needs.

Old problems like power outages will be addressed as a smarter grid can substantially reduce the number and duration of blackouts. At the same time, new opportunities are emerging, such as electricity storage breakthroughs that can improve efficiency and allow for greater diversity of supply, and better communications between each link in the electricity chain to further drive efficiencies.

And greater transparency and new technologies increasingly allow consumers and businesses to have more control over their electricity use. For homeowners in Michigan and across the country, that means help where it matters most - the bottom line with lower electric bills. And for businesses, that means less spending on energy and more available for hiring. Lower bills and more jobs – the future is certainly bright.

But with new technologies come new challenges. Just as data theft is a crime that previous generations didn't have to worry about, a digitally-connected grid is subject to new forms of manipulation by bad actors. We need to protect both the grid and consumers from cyber threats and other risks. The good news is that the same advances that make these threats possible are also capable of addressing them.

Of course, Congress must decide the proper role of government in these changes to the electricity system. New mandates and subsidies are not the answer. But we do need to identify and address regulatory barriers to entry, market-distorting incentives, and artificial constraints on competition that will be critical to further innovation.

Although the age of electricity is well into its second century, the pace of innovation is as rapid as ever. Federal energy policy needs to adapt in order to ensure that these advances can continue.

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