

**Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Hearing on “EPA’s Proposed 111(d) Rule for Existing Power Plants, and H.R. ___,
Ratepayer Protection Act”
April 14, 2015**

(As Prepared for Delivery)

I thank the witnesses and appreciate their input regarding the administration’s controversial Clean Power Plan. No less an expert than Laurence Tribe has testified that this proposed rule exceeds EPA’s statutory authority and raises numerous Constitutional issues. In addition, more than half the states have questioned the legality and feasibility of EPA’s attempt to micromanage each state’s electricity generation, transmission, distribution and use. If you think of the Clean Power Plan as the Obamacare approach applied to state electricity systems, you would not be very far off the mark.

Like the health law, the costs of the Clean Power Plan ultimately fall on consumers and job creators who are certain to see their electric bills go up, and for many states the rate increases will be very significant. As highlighted in Mr. Trisko’s testimony, Michigan residents can expect rate increases up to 15 percent. This would come at the worst possible time as folks are starting to get back on their feet - rate hikes will impose unwelcome hardships on family budgets, inflict damage to businesses both large and small, and hamper job growth.

The Ratepayer Protection Act’s reasonable and targeted provisions will greatly reduce the major risks to ratepayers from the administration’s plan. First, the bill extends the compliance deadlines until after judicial review is completed. Given that so many states have raised serious concerns about the legality of EPA’s proposed rule and a dozen have already sued, it makes sense to clear things up legally before the rule’s costly and complex requirements take effect.

The Ratepayer Protection Act also provides each state governor with authority to protect its ratepayers to the extent a state or federal plan under the rule would have a significant adverse effect by contributing to higher electricity costs or threatening reliability. States, not EPA, should have the last word with respect to the affordability and reliability of their electricity systems. On the other hand, those state governors who are supportive of EPA’s proposed rulemaking and anticipate no problems with it are free to comply with the agency’s demands.

In Northern states like Michigan, affordable and reliable electricity is absolutely essential to making it through the winter months. And America’s manufacturing sector could not survive without electricity rates that allow it to be globally competitive. In fact, the National Association of Manufacturers has warned that higher costs as a result of the Clean Power Plan and other recent EPA rules could place domestic manufacturers at a global disadvantage. The commonsense protections in the Ratepayer Protection Act are critical to preserving both our standard of living and our economic future.

In making these decisions, governors must consult with their state’s energy, economic, health, and environmental authorities. States can and should be a necessary check on EPA’s otherwise one-sided authority to change a state’s electricity system and do so without regard to the consequences.

The Ratepayer Protection Act is a sensible approach to addressing the very serious problems with the administration’s plan. Washington does not always know best and I urge all of my colleagues to join this effort on behalf of jobs and affordable energy.

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