

**Mr. Sensenbrenner's Opening Statement for Select Committee on Energy Independence and Global Warming hearing: "Get Smart on the Smart Grid: How Technology Can Revolutionize Efficiency and Renewable Solutions."**

**February 25, 2009**

I look forward to hearing about the advantages of smart-grid technology and the need to update our national transmission system.

But technology and costs are not the only hurdles that we have to clear.

Last week, the Fourth Circuit ruled that the Federal Energy Regulatory Commission (FERC) lacked authority to locate high-voltage transmission lines. If we can't streamline the regulatory issues for siting new transmission lines, we'll be doomed to legal battles and the same outdated grid.

In his written testimony, James Hoecker, Counsel to the Working Group on Investment in Reliable and Economic Electric Systems, says that much of the infrastructure needed to increase our electrical transmission

network will stretch over state lines. Indeed, much of the nation's wind, solar and geothermal resources are located in the interior of the country, while many of the people who need that electricity live near the coasts. This will require new transmission lines, not just upgrades to the existing grid.

The states and the Federal government must develop a streamlined system of approving rights-of-way for new electrical transmission lines. Since many of these lines will cross several states, the Federal government must lead.

With regional electricity transmission networks serving numerous states, states will surely argue over the costs of these vital upgrades. Smart-grid technology will encounter the same cost allocation and recovery problems that the transmission network now faces.

I'm interested in hearing today about new electrical transmission technology that can make the network more efficient. But I'm also

interested in hearing about what new transmission is required and how we can improve the regulatory system that oversees this expanded network.

The states, the Federal government, shareholders, consumers and other stakeholders will all play a role in upgrading our energy infrastructure. These stakeholders must work together to ensure that this network can be built in a timely manner and without unnecessary regulatory hold ups.

We can't let disputes between regulators and other stakeholders block better transmission and improved technologies that can help address the energy challenges we face.

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