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If FERC does not know how to regulate power markets, who does?

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IN THE HOUSE OF REPRESENTATIVES

MR. FILNER: Mr. Speaker, I rise today to briefly discuss this week's release by the General Accounting Office, the GAO, its study on actions needed by the Federal Energy Regulatory Commission, that is, FERC, to confront challenges that impede effective oversight. That was the title of this GAO report. This report vindicates those of us who have been standing up for 2 years now to tell this body that FERC was simply not doing its job protecting California and the rest of the country, and this report vilifies those who doubted us for the last 2 years.

In the conclusion of the report, we read that "FERC is not adequately performing the oversight that is needed to ensure that prices produced by these markets are just and reasonable." Let me repeat that, "FERC is not adequately performing the oversight that is needed to ensure that prices produced by these markets are just and reasonable." That means that illegal prices have been charged to electricity consumers all over this

country, but specifically in California, and the report goes on to say, FERC has been simply not fulfilling its regulatory mandate.

The GAO report says that FERC does not even know how to carry out its mandate to ensure that interstate wholesale natural gas and electricity prices are, as the law states, just and reasonable. If FERC does not know how to regulate power markets, who does?

We need a change because we do not need a repeat of the inaction we saw from FERC in 2000 that has drained the California Treasury of almost \$50 billion and has created a severe deficit in our State's budget this year.

Two years ago, California and the hands-off treatment it received from FERC was the canary in the gold mine, if I may say so, that is exposing the glaring fissures in our so-called energy policy. The lack of action by FERC, or as it should be called the Federal Enron Rubber-Stamping Commission, hurt many everyday Americans in our State and throughout our Nation.

FERC did not do its job in 2000. It did not do its job in 2001, and the GAO report says that FERC cannot do its job even now. My constituents in San Diego, California, and millions of other Californians lost billions during this crisis, and FERC reported no evidence of price-fixing.

Now FERC says it is waiting for the regional transmission organizations, the RTOs, to provide front-line monitoring for new, unregulated power markets. The problem is, Mr. Speaker, that it may take several more years for these RTOs to form, and in a gross understatement the GAO report says, "As the California crisis has made adequately clear, FERC simply cannot let the markets go unmonitored for this length of time."

It is abundantly clear, Mr. Speaker, that there has been a lot of damage, and we need a fresh look, farther away from this administration, farther away from the FERC Commissioner, farther away from people tainted with association with Enron.

We need to know how Enron and other members of the electricity cartel robbed California and eluded the oversight of the Federal Enron Rubber-Stamping

Commission. This should lead, by the way, to every State in this country and other countries around the world to really questioning whether they should deregulate to the so-called private market electricity and other basic commodities that are necessary for our economic life.

There is no public oversight, as the GAO report shows, of what the so-called private market will do. They will rob us blind as they did to us in California. That is why I continue to call for the Attorney General to name a special prosecutor to look into this whole case.

My bill, H. Con. Res. 333, would make this request on behalf of our entire Congress. We must not have even the perception that the fox, that is, FERC, is guarding the hen house, that is, our electricity market.

This Congress must demand that this situation end and appoint a special prosecutor and figure out what happened and how we are going to proceed from here.