I want to thank all the panelists for not only doing the hard work to pre-file the statements. I've looked at them, read them. Um, there's some incredibly good information in there. And, uh, I want to thank you for your time. I mean, you're here in Washington, D.C. Elliott came from California, others came from not quite as far, but you took time to do this.

So I want to thank you for all that effort.

This is an incredibly important topic. You know, I, with the agreement of my colleagues, announced at my very first meeting as Chairman that we were going to have a technical conference on resource adequacy. That topic was top of mind for me. And for years, I've been saying that we're heading for a reliability crisis, been saying this for years, caused by unsustainable losses of dispatchable generation and the failure to replace that generation with equivalent capacity.

Both are happening while we're seeing absolutely astronomical increases in load forecasts, predominantly driven by data centers, especially the data centers that run AI. So now the crisis is really right on our doorstep.

But let's not forget, while this conference is about the impending crisis of reliability from resource shortfalls, it really has another crisis connected to it, and that is the crisis of rising consumer power bills. Because consumers have to pay for capacity, as we all know. And I know that in at least two states in PJM Maryland and New Jersey this very week, consumers are seeing big jumps in their power bills because of rising capacity costs.

So, while we're going to be spending a lot of time in the next two days talking about the threats to reliability from shortfalls in power resources, let's keep in mind that an equally important issue related to all this is the rising costs in people's monthly power bills. That, itself, would be worth its own technical conference.

Now, I've been asked two questions about this.

First question is: Why are you having a technical conference? Is it just a chat show? No, it's not just a chat show. It's not a talk show.

This is a record. This creates a record, and that record can be used in future proceedings. So this is not just a talk, a talkie talk. This is about creating a record on these incredibly important issues that can be used in FERC proceedings in the future.

Second question I've been asked: Why are you just doing the RTOs? Don’t we have a problem across the country?

To a certain extent, we do. But the short answer is, FERC regulates the RTOs and their markets. And in RTOs, the markets play a critical role in resource adequacy.

So, in many RTOs, in states that have, quote unquote, deregulated, they've delegated their resource adequacy to, particularly, this administrative construct known as the capacity market. And we regulate those capacity markets. So that's why we're focusing on the RTOs.

In the non-RTO states, early retirements and new construction are really a matter between the utility and their state regulator. That's in the non-RTOs.

Here, FERC-regulated markets have a huge impact on that.

So there's a bunch of issues to get into, and we will over the next two days. And if you think two days is too much, I'm going to tell you right now two days is... we're all going to be feeling probably a little bit frustrated because we didn't have more than two days. Because, certainly, reading the statements there's a bunch of issues to get into, and we will.

But I think there are at least two compelling issues that hang over this.

First: After a quarter century of using these administrative constructs called markets, particularly capacity markets, is it time to say, and particularly with regard to the capacity markets, have they failed? And should they be replaced? And if they should be replaced, what should they be replaced with?

That's a compelling question, and I think after 25 years, it is time to ask it.

Second, and this is, to me, an even bigger issue: In the multi-state RTOs, are we asking the markets, and the good people who run these RTOs (and they are good people, and they're dedicated people), are we asking them, frankly, to do the impossible?

Because in the multi-state RTOs, as we now know, different states have incredibly divergent policy goals. Some states want to build and retain coal, gas, nuclear. Other states want to shut them down and build nothing but wind and solar.

How do you reconcile, in a multi-state capacity market like PJM has to do and MISO has to do, how do you reconcile that?

That's not an economic challenge; that's a political challenge. And if it's a political problem that we're dealing with in the multi-state RTOs, then we need to have an entirely different conversation than worrying about how you set the VRR curve, or how you set net CONE or gross CONE, or all the stuff we've been hearing about for years all the fiddling around with the different details.

It's really a political issue that goes to the governance of RTOs in these multi-state regions. It's not an issue in California. It's not an issue in New York. But in the multi-states, it's a big issue.

So, with that, I think it's time to ask these questions and many others.

I mean, the statements are great. We're going to get into it.