

POWERING AMERICA'S FUTURE: UNLEASHING AMERICAN ENERGY

HEARING BEFORE THE SUBCOMMITTEE ON ENERGY OF THE COMMITTEE ON ENERGY AND COMMERCE HOUSE OF REPRESENTATIVES ONE HUNDRED NINETEENTH CONGRESS FIRST SESSION

FEBRUARY 5, 2025

Serial No. 119-3



Published for the use of the Committee on Energy and Commerce
govinfo.gov/committee/house-energy
energycommerce.house.gov

U.S. GOVERNMENT PUBLISHING OFFICE

58-962 PDF

WASHINGTON : 2025

COMMITTEE ON ENERGY AND COMMERCE

BRETT GUTHRIE, Kentucky
Chairman

ROBERT E. LATTA, Ohio	FRANK PALLONE, JR., New Jersey
H. MORGAN GRIFFITH, Virginia	<i>Ranking Member</i>
GUS M. BILIRAKIS, Florida	DIANA DEGETTE, Colorado
RICHARD HUDSON, North Carolina	JAN SCHAKOWSKY, Illinois
EARL L. "BUDDY" CARTER, Georgia	DORIS O. MATSUI, California
GARY J. PALMER, Alabama	KATHY CASTOR, Florida
NEAL P. DUNN, Florida	PAUL TONKO, New York
DAN CRENSHAW, Texas	YVETTE D. CLARKE, New York
JOHN JOYCE, Pennsylvania, <i>Vice Chairman</i>	RAUL RUIZ, California
RANDY K. WEBER, SR., TEXAS	SCOTT H. PETERS, California
RICK W. ALLEN, Georgia	DEBBIE DINGELL, Michigan
TROY BALDERSON, Ohio	MARC A. VEASEY, Texas
RUSS FULCHER, Idaho	ROBIN L. KELLY, Illinois
AUGUST PFLUGER, Texas	NANETTE DIAZ BARRAGÁN, California
DIANA HARSHBARGER, Tennessee	DARREN SOTO, Florida
MARIANNETTE MILLER-MEEKS, Iowa	KIM SCHRIER, Washington
KAT CAMMACK, Florida	LORI TRAHAN, Massachusetts
JAY OBERNOLTE, California	LIZZIE FLETCHER, Texas
JOHN JAMES, Michigan	ALEXANDRIA OCASIO-CORTEZ, New York
CLIFF BENTZ, Oregon	JAKE AUCHINCLOSS, Massachusetts
ERIN HOUCHIN, Indiana	TROY A. CARTER, Louisiana
RUSSELL FRY, South Carolina	ROBERT MENENDEZ, New Jersey
LAUREL M. LEE, Florida	KEVIN MULLIN, California
NICHOLAS A. LANGWORTHY, New York	GREG LANDSMAN, Ohio
THOMAS H. KEAN, JR., New Jersey	JENNIFER L. MCCLELLAN, Virginia
MICHAEL A. RULLI, Ohio	
GABE EVANS, Colorado	
CRAIG A. GOLDMAN, Texas	
JULIE FEDORCHAK, North Dakota	

PROFESSIONAL STAFF

MEGAN JACKSON, *Staff Director*
SOPHIE KHANAHMADI, *Deputy Staff Director*
TIFFANY GUARASCIO, *Minority Staff Director*

SUBCOMMITTEE ON ENERGY

ROBERT E. LATTA, Ohio

Chairman

RANDY K. WEBER, SR., TEXAS, *Vice*
Chairman

GARY J. PALMER, Alabama

RICK W. ALLEN, Georgia

TROY BALDERSON, Ohio

AUGUST PFLUGER, Texas

DIANA HARSHBARGER, Tennessee

MARIANNETTE MILLER-MEEKS, Iowa

JOHN JAMES, Michigan

CLIFF BENTZ, Oregon

RUSSELL FRY, South Carolina

LAUREL M. LEE, Florida

NICHOLAS A. LANGWORTHY, New York

MICHAEL A. RULLI, Ohio

GABE EVANS, Colorado

CRAIG A. GOLDMAN, Texas

JULIE FEDORCHAK, North Dakota

BRETT GUTHRIE, Kentucky (ex officio)

KATHY CASTOR, Florida

Ranking Member

SCOTT H. PETERS, California

ROBERT MENENDEZ, New Jersey

KEVIN MULLIN, California

JENNIFER L. McCLELLAN, Virginia

DIANA DeGETTE, Colorado

DORIS O. MATSUI, California

PAUL TONKO, New York

MARC A. VEASEY, Texas

KIM SCHRIER, Washington

LIZZIE FLETCHER, Texas

ALEXANDRIA OCASIO-CORTEZ, New York

JAKE AUCHINCLOSS, Massachusetts

FRANK PALLONE, JR., New Jersey (*ex*
officio)

C O N T E N T S

	Page
Hon. Robert E. Latta, a Representative in Congress from the State of Ohio,	
opening statement	2
Prepared statement	4
Hon. Kathy Castor, a Representative in Congress from the State of Florida,	
opening statement	6
Prepared statement	9
Hon. Brett Guthrie, a Representative in Congress from the Commonwealth	
of Kentucky, opening statement	11
Prepared statement	12
Hon. Frank Pallone, Jr., a Representative in Congress from the State of	
New Jersey, opening statement	14
Prepared statement	17

WITNESSES

Amanda Eversole, Executive Vice President and Chief Advocacy Officer,	
American Petroleum Institute	19
Prepared statement	22
Additional material submitted for the record	27
Answers to submitted questions	170
Gary Arnold, Business Manager, Pipefitters Local 208	43
Prepared statement	45
Answers to submitted questions	176
Tyler O'Connor, Partner, Crowell & Moring LLP	54
Prepared statement	56
Answers to submitted questions	180
Brigham A. McCown, Senior Fellow and Director, Initiative on American	
Energy Security, Hudson Institute	66
Prepared statement	68
Answers to submitted questions	182

SUBMITTED MATERIAL

<i>Inclusion of the following was approved by unanimous consent.</i>	
List of documents submitted for the record	134
Letter of January 17, 2024, from James “Spider” Marks, President, The	
Marks Collaborative, et al., to President Biden and Michael S. Regan,	
Administrator, Environmental Protection Agency	135
Letter from Cody Carbone, President, Digital Power Network, to Sub-	
committee on Energy members	139
Letter of February 4, 2025, from Paul N. Cicio, President and Chief Executive	
Officer, Industrial Energy Consumers of America, to Mr. Latta and Ms.	
Castor	141
Letter of February 4, 2025, from Matthew T. Durand, Deputy General Coun-	
sel, National Association of Convenience Stores, to Mr. Latta and Ms.	
Castor	145
Statement of Ben Johnston, President, Fidem Energy, February 5, 2025	147
Report of the Colorado Energy Office on Federal funds	152
Article of January 30, 2025, “Trump is About to Wreck U.S. Oil Refineries,”	
by Robinson Meyer, Heatmap	154
Letter of January 7, 2025, from American Clean Power Association, et al.,	
to Senator Mike Crapo, et al.	162

VI

	Page
Report of Aurora Energy Research, “Impact of reform to clean energy tax credits on investment, jobs and consumer bills,” January 6, 2025 1A ¹	
Letter of February 4, 2025, from Anne Bradbury, President and Chief Executive Officer, American Exploration & Production Council, to Mr. Latta and Ms. Castor	164
Statement of Jennifer M. Granholm, Secretary, Department of Energy, on Updated Final Analyses	167

¹The report has been retained in committee files and is included in the Documents for the Record at <https://docs.house.gov/meetings/IF/IF03/20250205/117867/HHRG-119-IF03-20250205-SD003.pdf>.

POWERING AMERICA'S FUTURE: UNLEASHING AMERICAN ENERGY

WEDNESDAY, FEBRUARY 5, 2025

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ENERGY,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:16 a.m., in the John D. Dingell Room 2123, Rayburn House Office Building, Hon. Robert E. Latta (chairman of the subcommittee) presiding.

Members present: Representatives Latta, Weber, Palmer, Allen, Balderson, Pfluger, Harshbarger, Miller-Meeks, James, Bentz, Fry, Lee, Langworthy, Rulli, Evans, Goldman, Fedorchak, Guthrie (ex officio), Castor (subcommittee ranking member), Peters, Menendez, McClellan, DeGette, Matsui, Tonko, Veasey, Schrier, Fletcher, Ocasio-Cortez, Auchincloss, and Pallone (ex officio).

Also present: Representative Joyce.

Staff present: Ansley Boylan, Director of Operations; Clara Cargile, Professional Staff Member, Energy; Jessica Donlon, General Counsel; Andrew Furman, Professional Staff Member, Energy; Sydney Greene, Director of Finance and Logistics; Emily Hale, Staff Assistant; Calvin Huggins, Clerk, Energy; Megan Jackson, Staff Director; Daniel Kelly, Press Secretary; Patrick Kelly, Staff Assistant; Sophie Khanahmadi, Deputy Staff Director; Mary Martin, Chief Counsel, Energy; Joel Miller, Chief Counsel; Ben Mullaney, Press Secretary; Kaitlyn Peterson, Policy Analyst, Environment; Kristen Pinnock, GAO Detailee, Oversight and Investigations; Jackson Rudden, Staff Assistant; Chris Sarley, Member Services/Stakeholder Director; Peter Spencer, Senior Professional Staff Member, Energy; Kaley Stidham, Press Assistant; Matt VanHyfte, Communications Director; Keegan Cardman, Minority Staff Assistant; Austin Flack, Minority Professional Staff Member; Waverly Gordon, Minority Deputy Staff Director and General Counsel; Tiffany Guarascio, Minority Staff Director; Will McAuliffe, Minority Chief Counsel, Oversight and Investigations; Kristopher Pittard, Minority Professional Staff Member; Emma Roehrig, Minority Staff Assistant; Kylea Rogers, Minority Policy Analyst; Andrew Souvall, Minority Director of Communications, Outreach, and Member Services; Medha Surampudy, Minority Professional Staff Member; and Tuley Wright, Minority Staff Director, Energy.

Mr. LATTA. Well, good morning. The Subcommittee on Energy will come to order, and the Chair recognizes himself for 5 minutes for an opening statement.

**OPENING STATEMENT OF HON. ROBERT E. LATTA, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO**

I want to thank all of our witnesses for being with us today for today's hearing on "Powering America's Future: Unleashing American Energy."

Today we are discussing the state of our Nation's energy system, reviewing the Biden administration's actions that undermined our economic and national security, but most importantly, looking forward to how our subcommittee will meet our ever-expanding need for more energy.

In the last Congress, I asked every witness that appeared before us in this subcommittee the same question—"Do we need more energy or less energy?"—and all of those witnesses responded by saying we need more.

The U.S. Energy Information Administration projects the United States will consume record amounts of electricity in 2024 and 2025. The Department of Energy's Berkeley Lab estimates that U.S. data center load growth, which already encompasses half the data centers in the world, is projected to double or triple by the year 2028.

Last Congress, we heard extensive testimony from grid experts and operators about the impacts of burdensome regulations, like the Clean Power Plan 2.0, that would drive out resources that are essential to keeping the lights on and our economy flowing.

Households and businesses alike continue to struggle under high energy prices that have followed excessive Federal spending and anti-fossil-fuel policy decisions of the Biden administration.

In 2008, House Republicans first showcased the all-of-the-above energy strategy that supports this diverse mix of energy sources without the government picking winners or losers, which is better for meeting demand and better for the environment.

Intermittent energy sources, such as solar and wind, have a role to play in a diverse energy mix. However, we must maintain our baseload power that is delivered from fossil fuels, nuclear, and hydropower.

While resources are strained, the next-generation economy will require massive amounts of reliable, affordable, and abundant energy.

My district in Ohio is home to over 86,000 manufacturing jobs and has seen the data center energy demand arrive.

When it comes to winning the AI race, all energy solutions need to be on the table—small modular nuclear reactors, traditional nuclear power, intermittent renewables, batteries, natural gas, fuel cells, just to name a few.

But our Nation's energy future is at a turning point, and the world is not going to wait for us. Adversarial nations actively seek to exploit our energy demand to undermine our position on the world stage.

Unfortunately, misguided actions from the Biden administration, like the LNG export ban, handicapped diplomatic tools of energy abundance.

Instead, the Biden administration's electrification-or-nothing and rush-to-green approach has only emboldened adversaries like Communist China who manipulate critical mineral markets and limit

exports of key materials for our manufacturing sector and defense industrial base.

Meanwhile, China is doubling down on their efforts to gain a leadership position in the global race for AI development in the next generation economy.

Here is the good news: It is a new day in America, and President Trump has led a necessary reset of our national energy strategy.

As we look to the future of our Nation's energy needs, this subcommittee will be essential to ensure our electric grid is secure against physical and cyber attacks and natural disasters.

We will unlock our abundant resources through permitting reforms that can ensure innovations and advancements are happening here in America. We will build on the bipartisan success of the ADVANCE Act and the Nuclear Fuel Security Act to usher in next-generation nuclear, discuss innovative solutions for spent fuel, like recycling and storage, and expand America's nuclear fuel infrastructure to restore our global nuclear leadership.

This committee must address the growing energy demand and all the issues that come with it. I look forward to the constructive dialogue today as we embark on a path to reassert North American energy dominance.

[The prepared statement of Mr. Latta follows:]

Chairman Robert E. Latta
**Opening Statement—Subcommittee on Energy: “Powering
America’s Future: Unleashing American Energy”**
February 5, 2025
As prepared for delivery

Welcome to today’s hearing “Powering America’s Future: Unleashing American Energy.”

Today, we are discussing the state of our nation’s energy system, reviewing Biden administration actions that have undermined our economic and national security, and, importantly, looking forward to how our subcommittee will meet our ever-expanding need for more energy.

In the last Congress, I asked our witnesses: do we need more or less energy?

Every witness responded by saying “we need *more* energy, and we need it *now*”.

The U.S. Energy Information Administration projects that the United States will consume record amounts of electricity in 2024 and 2025. The Department of Energy’s Berkeley Lab estimates that U.S. data center load growth, which already encompasses half the data centers in the world, is projected to double or triple by 2028.

Last Congress, we heard extensive testimony from grid experts and operators about the impacts of burdensome regulations like the Clean Power Plan 2.0 that will drive out resources that are essential to keeping the lights on and our economy flowing.

Households and businesses alike continue to struggle under high energy prices that have followed excessive federal spending and anti-fossil fuel policy decisions of the Biden administration.

In 2008, House Republicans first showcased the “all-of-the-above” energy strategy that supports this diverse mix of energy sources without the government picking winners and losers – which is better for meeting demand and better for the environment.

Intermittent energy sources, such as solar and wind, have a role to play in a diverse energy mix. However, we must maintain our baseload power that is delivered from fossil fuels, nuclear, and hydropower.

While resources are strained, the next generation economy will require massive amounts of reliable, affordable, and abundant energy. My district in Ohio is home to over 86,000 manufacturing jobs and is seeing the data center energy demand arrive.

When it comes to winning the AI race, all energy solutions need to be on the table: small modular nuclear reactors, traditional nuclear power, intermittent renewables, batteries, natural gas, and fuel cells, just to name a few.

But our nation's energy future is at a turning point, and the world is not waiting for us.

Adversarial nations actively seek to exploit our energy demand to undermine our position on the world stage.

Unfortunately, misguided actions from the Biden administration, like the LNG export ban, handicapped diplomatic tools of energy abundance.

Instead, the Biden administration's "electrification or nothing" and "rush to green" approach has only emboldened adversaries like communist China who manipulate critical mineral markets and limit exports of key materials for our manufacturing sector and defense industrial base.

Meanwhile, China is doubling down on their efforts to gain a leadership position in the global race for AI development and the next generation economy.

Here's the good news: it's a new day in America and President Trump has led a necessary reset of our national energy strategy.

As we look to the future of our nation's energy needs, this subcommittee will be essential to ensure our electric grid is secure against physical and cyber-attacks and natural disasters. We will unlock our abundant resources through permitting reforms that can ensure innovations and advancements are happening here in America.

We will build on the bipartisan success of the ADVANCE Act and the Nuclear Fuel Security Act to usher in next generation nuclear, discuss innovative solutions for spent fuel like recycling and storage, and expand America's nuclear fuel infrastructure to restore our global nuclear leadership.

This committee must address the growing energy demand, and all of the issues that come with it. I look forward to the constructive dialogue today as we embark on a path to reassert North American energy dominance.

With that, I yield 30 seconds of my time to the gentleman from Colorado's 8th district.

Mr. LATTA. And with that, I yield 30 seconds to my friend, the gentleman from Colorado's Eighth District.

Mr. EVANS. Thank you, Mr. Chairman. And I just want to take a quick moment.

Today I am proud to introduce Mr. Gary Arnold, who serves as the business manager of the Pipefitters Local Union 208 based out of Denver, Colorado.

Local 208 represents almost 2,000 highly skilled jobs and hard-working journeymen and -women, many of whom live and work in my district, and Local 208 also covers all of my district.

Looking forward to the vital perspective that you are going to offer about the passionate workforce that every energy product requires and project requires. So thank you for being here.

And, Mr. Chairman, yield back.

Ms. DEGETTE. Mr. Chairman, will you yield?

Mr. LATTA. I recognize the gentlelady.

Ms. DEGETTE. Thank you.

I just want to add my welcome to my friend Mr. Arnold, who is from my district.

It is great to have you here.

Yield back.

Mr. LATTA. Well, thank you very much. And the Chair yields back the balance of his time.

And the Chair now recognizes the gentlelady from Florida's 14th District, the ranking member of the subcommittee, for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. KATHY CASTOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Ms. CASTOR. Well, thank you, Chairman Latta, and congratulations to you on having the gavel of this great subcommittee.

And welcome to all of the new Members on the subcommittee.

The Democrats and I, we look forward to working on policy that delivers more affordable and reliable energy to hard-working Americans and businesses.

We have an incredible opportunity to build on the successes of the past few years and the advances in lower-cost, clean energy, grid resilience, innovation, and efficiency.

We can all take great pride in the new factories, the jobs, the progress activated by the historic infrastructure law of 2021 and the clean energy and climate resilience law of 2022, because over the past few years over 750 new or expanded clean energy projects have been announced, along with 400,000 new jobs and \$422 billion of private sector being invested because of what we have done.

Across America, and in most districts represented in this committee, new battery plants, clean vehicle factories, and solar and wind manufacturing centers are breathing new life into communities, local economies, and small businesses. These are good-paying, many union jobs that can support a family.

That is why the early actions of the Trump administration are cause for concern, including the firing of the Department of Energy Inspector General, who is responsible for rooting out waste, fraud, and abuse.

Nothing in the early Trump Executive orders is designed to lower energy prices or help hard-working Americans. Instead, across the board, the actions are a gift to big oil companies. They are designed to boost their profits at the expense of working families across this country.

It is outlandish that the President declared an energy emergency at a time when the United States is producing more oil and gas than any country in history.

America is the second-largest producer of wind energy and a top-five producer in solar energy. We lead the world in nuclear energy and biofuel production. America is a dominant energy superpower.

The stop-work order on energy projects now is delaying construction projects in our communities. It is causing companies to lay off workers. It is causing delays in upgrading transmission lines and building battery factories and bringing nuclear plants back online. And all of this adds up.

Frankly, when you look at what is going on, it is illegal, and we are not going to stand for it. We are going to fight back to make sure that these dollars get to where they are supposed to go and build the clean energy economy that is important to all of us.

Future projections show—and the chairman is right—that we are going to need to generate more electricity, but the President's prescription for the so-called emergency is to unnecessarily complicate energy projects and to ban lower-cost renewable energy sources like wind and solar.

It doesn't do anything to lower costs for families and businesses, and, frankly, it doesn't make sense—until you understand that it is just a gift to polluters and big oil.

We are in the grips of a real emergency, however, and that is the heating climate, which is leading to higher bills, stronger hurricanes, extreme heat, more destructive floods and wildfires.

And if we don't reduce climate pollution, the cost of these catastrophes will continue to grow while our neighbors back home struggle to rebuild their homes, to afford their air conditioning bills, to afford property insurance.

The climate stresses are not just about the weather. They are about our wallets.

And another red flag in the President's early Executive orders that will hit consumers with higher energy bills is his call to expand liquefied natural gas exports, because studies show that increasing LNG exports will raise energy prices for American families. Exporting gas outside America raises costs on small businesses and industries that rely heavily on it.

Plus, China is the single biggest LNG importer in the entire world. The least we could do would be to ensure that our LNG exports are not subsidizing China's industrial build-out at the cost of higher domestic gas prices for Americans.

We are in a great competition with China on electric vehicles. They want to put our automakers out of business, and the President and the Republicans should not help them.

Competitors like China are eager for President Trump to kill America's clean energy economy so they can dominate the global market instead.

And while you can see we are going to have plenty to debate here, I also see a lot of room for bipartisan common ground.

Chair Latta is interested in strengthening the aging electric grid, as am I, and many Members are interested in the next generation of nuclear power, critical minerals, and battery recycling. And I know together we can ensure that Americans are energy secure and encourage innovation. That is the hallmark of America.

Thank you, Mr. Chairman. I yield back.

[The prepared statement of Ms. Castor follows:]

Committee on Energy and Commerce

**Opening Statement as Prepared for Delivery
of
Subcommittee on Energy
Ranking Member Kathy Castor**

Hearing on “Powering America’s Future: Unleashing American Energy”

February 5, 2025

Congratulations Chair Latta and the new members of the Energy Subcommittee. I look forward to working together on policy that delivers more affordable and reliable energy to hardworking Americans and businesses. We have an incredible opportunity to build on the successes of the past few years and the advances in lower-cost clean energy, grid resilience, innovation and efficiency.

We all can take great pride in the new factories, jobs and progress activated by the historic Infrastructure Law of 2021 and Clean Energy and Climate Resilience Law of 2022. Over the past four years, over 750 new or expanded clean energy projects have been announced, along with 400,000 new jobs and \$422 billion in private sector investments.

Across America and in most districts represented in this committee, new battery plants, clean vehicle factories, and solar and wind manufacturing centers are breathing new life into communities, local economies and small businesses. These are good-paying, many union, jobs that can support a family.

That’s why the early actions of the Trump Administration are cause for concern, including the firing of the Inspector General of the Department of Energy who is responsible for rooting out waste, fraud and abuse. Nothing in the early Trump executive orders is designed to lower energy prices and help hardworking Americans. Instead, across the board, the actions are a gift to Big Oil companies — designed to boost their profits at the expense of working families.

It’s outlandish that the president declared an “energy emergency” at a time when the U.S. is producing more oil and gas than any country in history. For years, the United States has been and remains the world’s top oil and natural gas producer. We are the second-largest producer of wind energy and a top-five producer of solar energy. We lead the world in nuclear energy and biofuel production. America is a dominant energy superpower.

Future projections show that we are going to need to generate more electricity, but the President’s prescription for the so-called “emergency” is to ban lower-cost renewable energy sources like wind and solar.

That doesn’t make sense and it doesn’t lower costs, until you understand that it’s all just a gift to polluters and Big Oil.

We are in the grips a real emergency however – the heating climate, which is leading to stronger hurricanes, extreme heat, and more destructive floods and wildfires. If we don’t reduce climate pollution, the costs of these catastrophes will continue to grow while our neighbors back home struggle to afford

February 5, 2025

Page 2

property insurance, rebuild their homes and pay exorbitant utility bills. Climate stresses are not just about the weather, they are about our wallets.

Another red flag in the President's early executive orders that will hit consumers with higher energy bills is his call to expand liquified natural gas exports, despite studies that show increasing LNG exports will raise energy prices for American families. Exporting gas outside America raises costs for small businesses and industries that rely heavily on it.

Plus, China is the single biggest LNG importer in the entire world. The least we could do would be to ensure that our LNG exports are not subsidizing China's industrial buildout at the cost of higher domestic gas prices for Americans.

We're also in a great competition with China on electric vehicles. China wants to put our automakers out of business. The President and Republicans shouldn't help them. Competitors like China are eager for President Trump to kill America's clean energy economy so they can dominate the global market instead.

While I trust we will have plenty to debate, I also see a lot of room for bipartisan common ground. Chair Latta is interested in strengthening the aging electric grid, as am I, and many members are interested in next generation nuclear power, critical minerals and battery recycling. Together we can ensure that Americans are energy-secure and encourage innovation that is the hallmark of America.

I yield back.

Mr. LATTA. Thank you very much. The gentlelady yields back.
And the Chair now recognizes the chair of the full committee, the gentleman from Kentucky, for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. BRETT GUTHRIE, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF KENTUCKY

Mr. GUTHRIE. Thank you. Thank you, Chair Latta. I really look forward to working with your leadership guiding the Energy Subcommittee with the ranking member, my friend from Florida.

And to all of our new members, welcome, and I look forward to your contributions as well.

The availability and affordability and reliability of American energy and its delivery systems is fundamental to enabling our Nation to make and do things—to grow manufacturing, advance AI, heat our homes, fuel our cars, and produce the goods and services we all rely upon.

Our work this Congress will aim to enable the Nation to grow, prosper, and assert global leadership in an adversarial world, and we will work hard to improve the lives and economic security of those in the communities we represent.

Today's hearing opens our discussion of the reforms needed to usher in a golden age of American energy. We will explore the benefits of—and the urgent need for—energy policies of abundance and dominance.

We will look at how responsible stewardship of our tremendous oil and gas reserves—and the infrastructure to deliver those resources—will support new industries and manufacturing.

This hearing will also provide the beginning of our discussions and exploration of the enormous demand for energy for AI.

Further, today we will continue to make the case for American leadership in energy production and technology to support our allies, including through the export of LNG, advanced gas turbines, and nuclear.

We all have seen the increasing strains on our electric grid, including failure to provide reliable power utilizing coal, natural gas, and nuclear, when it is needed the most.

Grid and energy experts warn the frequency of these outages will only increase if State and Federal renewable energy policies continue to drive the premature retirement of traditional baseload generation.

Now, the new and growing demand for advanced manufacturing capacity and data centers to fuel the AI race have exposed the limits of our current energy systems as well.

This new reality adds to the urgency to look at what is needed to provide the energy we need to win the competition with China and achieve the tremendous benefits of advanced computing.

I appreciate the time that the subcommittee chair has yielded, and I will yield to the vice chair of the subcommittee, Mr. Weber, for the remainder of my time.

[The prepared statement of Mr. Guthrie follows:]

Chairman Brett Guthrie
Opening Statement—Subcommittee on Energy:
“Powering America’s Future: Unleashing American Energy”
February 5, 2025
As prepared for delivery

Thank you, Chairman Latta. I look forward to your strong and able guidance of the Energy Subcommittee this Congress.

I also look forward to the contributions of our new Members, on both sides of the aisle, to the important issues this subcommittee must confront and the work that we will do during the 119th Congress.

The availability, the affordability, and the reliability of American energy and its delivery systems is fundamental to enabling our nation to make and do things—to grow manufacturing, advance AI, heat our homes, fuel our cars, and produce the goods and services we all rely upon.

Energy is essential to strengthening America’s national security and to supporting the security of our allies.

So, our work this Congress will aim to enable the nation to grow, prosper, and assert global leadership in an adversarial world. And we will work hard to improve the lives and economic security of those in the communities we represent.

Today’s hearing opens our discussion of the reforms needed to usher in a golden age of American energy.

We will explore the benefits of—and the urgent need for—energy policies of abundance and dominance.

Importantly, the hearing will also provide a launching point for our exploration of the enormous demand for energy being driven by artificial intelligence and next generation computing.

We will look at how responsible stewardship of our tremendous oil and gas resources—and the infrastructure to deliver those resources—will support new industries and manufacturing.

Further, today we will continue to make the case for American leadership in energy production and technology to support our allies—including through the export of LNG, advanced gas turbines, and nuclear.

Working with the Trump Administration, we must reverse the mindset that our energy future, our global energy future, is one of less energy supply driven by a massive, abrupt transition to renewable energy.

The harmful results of policies reflecting this mindset have become clearer every year, here in America and in Europe.

By now, we all have seen the increasing strains on our electric grid, including failure to provide reliable power utilizing coal, natural gas, and nuclear—when it is needed the most.

Grid and energy experts warn the frequency of these outages will only increase if state and federal renewable energy policies continue to drive the premature retirement of traditional baseload generation.

Now, the new and growing demand for advanced manufacturing capacity and data centers to fuel the AI race have exposed the limits of our current energy systems as well.

This new reality adds to the urgency to look at what is needed to provide the energy we need to compete with China and achieve the tremendous benefits of advanced computing.

We should reject the energy transition mindset and embrace a new paradigm in American energy policy—a paradigm of energy abundance.

I now yield to Vice Chairman Weber.

Mr. WEBER. I thank you, Chairman Guthrie, for yielding.

I am thrilled to serve as vice chair of this Energy Subcommittee for this Congress. I look forward to working with Chairmen Guthrie and Latta on energy policy, which is the driver of so friggin' much of our economy.

Today's hearing is critical to this committee's role in advancing an energy future that can lower cost and fuel economic growth in Texas, my home State, and across the country for that matter.

America is blessed with abundant natural resources that can lift up small communities, solidify our geopolitical position on the world stage, and create workforce opportunities for generations to come.

Nowhere is this clearer than in my southeast Texas Congressional District 14. My Gulf Coast district, which many consider the energy capital of the world, is home to seven ports, three LNG facilities, seven of the largest refineries in the United States, and 60 percent of the Strategic Petroleum Reserve is stored in our district.

Unfortunately, my district was also ground zero for the Biden administration's anti-fossil-fuel agenda. So whether it was the ban on LNG exports, SPR gimmicks that drained our capacity, or the overburdensome regulatory environment designed to drive out fossil fuels, southeast Texans bore the brunt of a disastrous American energy strategy for the last 4 years.

Southeast Texans know firsthand that these facilities not only create family-sustaining careers that allow people to achieve the American Dream, but they also fund schools, local hospitals, they fund public safety resources, as well as a myriad of other community benefits.

Under President Trump's leadership, our Nation has an opportunity to once again regain control over our own energy future. I look forward to the discussion today that will highlight the urgency behind our need to actually expand American energy production and fuel what we call a golden age of opportunity.

With that, Mr. Chairman, I yield back.

Mr. LATTA. Thank you very much. The gentleman yields back the balance of his time.

The Chair now recognizes the ranking member of the full committee, the gentleman from New Jersey, for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. FRANK PALLONE, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. PALLONE. Thank you, Mr. Chairman.

Committee Republicans want to talk about unleashing American energy at a time when President Trump is blatantly breaking the law—a law that is helping us unleash American energy and reduce energy costs for American families.

On his first day in office, President Trump illegally froze billions of dollars in investments in the energy sector that were passed into law by Congress. That action was followed by a broader directive from the Office of Management and Budget that halted funding across the government, including Medicaid.

And Trump is stealing from the American people, but congressional Republicans appear to have no problem with that. They have been virtually silent as Trump and his administration continue to defy the law.

Fortunately, the courts have already ruled in favor of parties seeking to put a stop to this unconstitutional power grab, and today I am sending letters, with the subcommittee ranking members, to the Department of Energy and other agencies within our committee's jurisdiction demanding that these congressionally approved funds be distributed immediately.

We also want to know what funds are being sent out and what funds are still being illegally withheld.

Now, President Trump has a long history of stiffing contractors, particularly in my home State of New Jersey where all his casinos went bankrupt but he didn't pay anybody. But America, our government, can't be like Trump. We have to uphold our commitments.

The chaotic rollout has left communities and organizations that are owed Federal funding reeling. Workers and businesses are being harmed. Americans in need of care are being harmed. Congress and the American people deserve answers, and we are going to fight to find them.

Unfortunately, as I said, House Republicans have been virtually silent. They too are dead set on eliminating these funds through the legislative process so they can pay for trillions of dollars in tax cuts for billionaires and big corporations.

House Republicans' energy plans will increase costs for American families. Repealing the clean energy provisions in the law could result in a 10 percent jump for American families on their energy bills.

Republicans ignore the fact that the Inflation Reduction Act is also growing our economy for the future and helping us combat the worsening climate crisis.

But, frankly, it is difficult for me to comprehend how senseless the energy policies of the new administration are. Trump declared a bogus emergency—or I should say energy emergency—yet on the very same day he illegally attempted to cut off Federal support for nearly all energy investments in the United States.

And Republicans spent years saying that they supported an all-of-the-above energy strategy, yet they are now trying to kill solar and wind, both onshore and offshore, I should add.

And what is especially distressing is that the Republican Party is attempting to decimate a portion of our energy industry just when we need it most.

The subcommittee heard repeatedly last Congress that, after 20 years, demand for electricity in this country is starting to increase. And to be clear, this is actually a good thing because it means that artificial intelligence companies are choosing to build data centers in America, it means that manufacturing is making a major comeback in America after a generation of decline, and it means that more Americans are shifting towards cleaner ways of driving and heating and cooling their homes.

All of these are promising trends that will benefit the country, but not if the power sector cannot meet the challenge.

Grid operators across the country are sounding the alarm, and they are saying that they need every new electricity generator they can get to come online over the next 5 years and that we need to interconnect as many resources as we can as quickly as possible.

Power generation projects take a long time to build in this country, and according to the Lawrence Berkeley National Laboratory, over 95 percent of the generation in the so-called interconnection queue is wind, solar, and batteries.

So if Republicans are really interested in unleashing American energy, they should work with us to clear interconnection queues and let resources get on the grid as quickly as possible.

We should work together to make sure that we have sufficient infrastructure, whether it is transmission lines, transformers, circuit breakers, or other vital equipment, to make sure that we can hook those new sources of electricity up to the grid.

And these are actions that we have to take. Our Nation's ability to compete in the 21st century depends on it.

Unfortunately, it appears that Republicans are determined to, once again, do the bidding of their big oil and gas friends, and I don't think that is progress, and Democrats will fight this partisan effort every step of the way.

So, finally, to all the career staff at the Department of Energy who are doing such hard work under challenging circumstances, please stay in your jobs. America really needs your expertise.

And with that, Mr. Chairman, I yield back. Thank you.

[The prepared statement of Mr. Pallone follows:]

Committee on Energy and Commerce**Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.*****Hearing on “Powering America’s Future: Unleashing American Energy”*****February 5, 2025**

Committee Republicans want to talk about unleashing American energy at a time when President Trump is blatantly breaking the law – a law that is helping us unleash American energy and reduce energy costs for American families. On his first day in office, President Trump illegally froze billions of dollars in investments in the energy sector that were passed into law by Congress. That action was followed by a broader directive from the Office of Management and Budget that halted funding across the government, including Medicaid funding. Trump is stealing from the American people, but Congressional Republicans appear to have no problem with that – they’ve been virtually silent as Trump and his Administration continue to defy the law.

Fortunately, the courts have already ruled in favor of parties seeking to put a stop to this unconstitutional power grab. Today, I am sending letters with the subcommittee ranking members to the Department of Energy and other agencies within our Committee’s jurisdiction demanding that these congressionally approved funds be distributed immediately. We also want to know what funds are being sent out and what funds are still being illegally withheld.

While President Trump has a long history of stiffing contractors, particularly in my home state of New Jersey, but the American government must uphold its commitments. The chaotic rollout has left communities and organizations that are owed federal funding reeling. Workers and businesses are being harmed. Americans in need of care are being harmed. Congress and the American people deserve answers, and we’re going to fight to get them.

Unfortunately, as I said, House Republicans have been virtually silent. They, too, are dead set on eliminating these funds through the legislative process so they can pay for trillions of dollars in tax cuts for billionaires and big corporations.

House Republicans’ energy plans will increase costs for American families. Repealing the clean energy provisions in the law could result in a 10 percent jump for American families on their energy bills. Republicans ignore the fact that the Inflation Reduction Act is also growing our economy for the future and helping us combat the worsening climate crisis.

Frankly, it is difficult for me to comprehend how senseless the energy policies of the new Administration are. Trump declared a bogus “energy emergency,” yet on the very same day he illegally attempted to cut off federal support for nearly all energy investments in the United States. Republicans spent years saying that they supported an “all of the above” energy strategy, yet they are now trying to kill solar and wind – both onshore and offshore.

What is especially distressing is that the Republican Party is attempting to decimate a portion of our energy industry just when we most need it most. This Subcommittee heard repeatedly last Congress that after 20 years, demand for electricity in this country is starting to increase.

February 5, 2025

Page 2

To be clear, this is a good thing. It means artificial intelligence companies are choosing to build data centers in America. It means that manufacturing is making a major comeback in America after a generation of decline. And it means that more Americans are shifting towards cleaner ways of driving and heating and cooling their homes. All of these are promising trends that will benefit the country. But not if the power sector cannot meet the challenge.

Grid operators across the country are sounding the alarm, saying that they need every new electricity generator they can get to come online over the next five years – that we need to interconnect as many resources as we can as quickly as possible. Power generation projects take a long time to build in this country – and according to Lawrence Berkley National Laboratory, over 95 percent of the generation in the so-called interconnection queue is wind, solar, and batteries.

So if Republicans are really interested in “unleashing American energy,” they should work with us to clear interconnection queues, and let resources get on the grid as quickly as possible. We should work together to make sure that we have sufficient infrastructure – whether it’s transmission lines, transformers, circuit breakers, or other vital equipment – to make sure that we can hook those new sources of electricity up to the grid.

These are actions that we have to take. Our nation’s ability to compete in the 21st century depends on it. Unfortunately, it appears that Republicans are determined to once again do the bidding of their Big Oil and Gas friends. This is not progress, and Democrats will fight their partisan efforts every step of the way.

Finally, to all the career staff at the Department of Energy who are doing such hard work under challenging circumstances: please stay in your jobs. Americans need your expertise.

And with that, I yield back.

Mr. LATTA. Thank you very much. The gentleman yields back the balance of his time. This concludes Member opening statements.

The Chair would like to remind Members that, pursuant to committee rules, all Members' opening statements will be made part of the record.

And before recognizing our witnesses, I also want to just thank all of our new members that are on the subcommittee. A hearty welcome. We are going to have a lot of work to do this Congress, and I look forward to working with everyone.

I want to thank our witnesses for being with us today and taking the time to testify before our subcommittee. Each witness will have the opportunity to give a 5-minute opening statement, followed by a round of questions from the Members.

Our witnesses for today's hearing are Amanda Eversole, the executive vice president and chief advocacy officer at the American Petroleum Institute; Mr. Gary Arnold, business manager at the Denver Pipefitters Local 208; Mr. Tyler O'Connor, partner at Crowell & Moring LLP; and Mr. Brigham McCown is senior fellow and director of the Initiative on American Energy Security at the Hudson Institute.

I want to thank you all for being here.

And before we recognize our first witness, just a little house-keeping. With the box in front of you, you will see the light will be green. At 1 minute it will go yellow. And when your time expires after 5 minutes it will go red, and if you could finish up, we would appreciate it.

And so what we would like you to do is pull that mike up close and turn it on, and we are ready to go.

The Chair recognizes Ms. Eversole for 5 minutes for an opening statement.

STATEMENTS OF AMANDA EVERSOLE, EXECUTIVE VICE PRESIDENT AND CHIEF ADVOCACY OFFICER, AMERICAN PETROLEUM INSTITUTE; GARY ARNOLD, BUSINESS MANAGER, PIPEFITTERS LOCAL 208; TYLER O'CONNOR, PARTNER, CROWELL & MORING LLP; AND BRIGHAM A. MCCOWN, SENIOR FELLOW AND DIRECTOR, INITIATIVE ON AMERICAN ENERGY SECURITY, HUDSON INSTITUTE

STATEMENT OF AMANDA EVERSOLE

Ms. EVERSOLE. Good morning. Thank you very much, Mr. Chairman.

Chairman Latta, Chairman Guthrie, Ranking Member Castor, Ranking Member Pallone, and members of the subcommittee, my name is Amanda Eversole, and I am the executive vice president and chief advocacy officer at the American Petroleum Institute.

I am honored to be invited by this committee to discuss the profound opportunities that we have by working together to build a better energy future for all Americans.

API is a national trade association representing all segments of America's oil and natural gas industry, from large integrated companies to small independent producers. This industry represents 11 million hard-working men and women across all 50 States and supports energy that powers every district in this Nation.

API is proud to have developed more than 800 standards that enhance operational safety, environmental protection, and sustainability across 140 countries.

In fact, promoting technological, environmental, and regulatory innovation is a driving force for API and our industry to achieve what is most important to all of us: ensuring that we have the reliable, affordable, and cleaner energy that tens of millions of hard-working families and businesses need now and well into the future.

As API's Lights on Energy literacy campaign reminds us, oil and gas fuel our economy, secure our future, and keep America moving.

As we saw in the last election, the American people made their energy priorities clear. They voted for energy that is more affordable and more reliable. They want the freedom to make choices about what to drive and how to cook and for an energy policy that keeps costs down and our country economically strong and secure.

Now, this committee and Congress can advance these priorities through commonsense policies that support energy growth, while continuing our shared commitment to environmental performance and innovation.

We can build on the \$2 trillion of value that this industry generates for our economy, an amount larger than 95 percent of the GDPs of countries around the world.

As energy demand surges due to population growth and the massive impact of artificial intelligence, we must ensure that America remains the world's energy powerhouse.

Today we account for about 17 percent of global crude oil production. That is up from just 8 percent in 2010. That is good for our economy, and it is good for our national security.

And let's not forget that greenhouse gas emissions in the U.S. are at a generational low, and the biggest reason for that is replacing higher-emitting fuels with natural gas.

Yet despite the incredible strength of our industry and its people, America's continuing energy leadership is far from guaranteed. Ineffective policies have put investment at risk and ignore the reality that hundreds of billions of dollars in capital are required every year just to keep production at current levels.

To address these challenges, API released its five-point policy roadmap to secure American energy leadership.

Our plan outlines five specific principles.

First, we must protect consumer choice. Let Americans choose what is best for their families, whether it is their car, their stove, or their furnace. We must avoid misguided policies that threaten to raise costs for families and for businesses.

Second, we must bolster our geopolitical strength. Energy security is national security. Lifting the LNG export pause was a major step in reaffirming the United States as a cornerstone of global energy security.

Third, we must leverage our natural resources. We have the resources, so let's use them—responsibly. Unnecessary restrictions limit our ability to harness these vast resources and discourage long-term investment in domestic energy production.

Fourth, we must reform our permitting system. Right now we cannot get things done, and it simply doesn't have to be that way. A more efficient permitting system will unlock billions in private

investment, create jobs, and ensure that the U.S. has the infrastructure to meet growing energy demands.

Specifically, we need Congress to act to prevent statutes like NEPA and the Clean Water Act from being weaponized in the courts by opponents of energy development.

And finally, we need sensible tax policy for sustained energy investment. API supports policies that help achieve long-term energy security and environmental goals.

To build on the successes of the Tax Cuts and Jobs Act, Congress should pass legislation that maintains the corporate rate, facilitates domestic infrastructure investment, and preserves critical international provisions.

Put simply, we need policies that encourage investment rather than restrict it. It has never been more vital that the U.S. control our energy future, and this committee and Congress have an opportunity to seize this moment to pass meaningful legislation that will move our country forward.

Mr. Chairman, Madam Ranking Member, and distinguished members of the committee, this concludes my prepared statement, and I look forward to your questions. Thank you.

[The prepared statement of Ms. Eversole follows:]

**Testimony of American Petroleum Institute (API)
Executive Vice President and Chief Advocacy Officer
Amanda Eversole**

**House Committee on Energy and Commerce
Subcommittee on Energy**

***“Powering America’s Future: Unleashing American Energy”*
February 5, 2025**

Introduction

Good morning, Chairman Latta, Ranking Member Castor, and members of the subcommittee. My name is Amanda Eversole, and I am the Executive Vice President and Chief Advocacy Officer at the American Petroleum Institute (API).

I am honored to be invited by the Committee to discuss the profound opportunity we have, by working together, to build a better energy future for the 340 million Americans across the country.

As many of you know, API is a national trade association representing all segments of America’s oil and natural gas industry. From large integrated companies to small independent operators, 11 million hardworking men and women across all 50 states provide and support the energy that powers every district in this nation.¹

As an association, we are proud to have developed more than 800 standards that enhance operational safety, environmental protection, and sustainability across 140 countries. In fact, promoting technological, environmental, and regulatory innovations is a driving force for API and our industry to achieve what is most important to all of us – ensuring we have the reliable, affordable, and cleaner energy that tens of millions of hardworking families and businesses need to survive and thrive – now and in the decades ahead.

Or, as API’s “Lights On” energy literacy campaign² reminds all of us, oil and gas fuel our economy, secure our future, and keep America moving.

The Changing Energy Landscape

Whether it is heating our homes, fueling our cars, powering our small businesses, growing our manufacturing base, or meeting the massive energy demands of Artificial Intelligence (AI) and our military, this dynamic industry is vital to America’s future and is an essential driver of economic growth, national security, and environmental stewardship.

¹ PwC for API, “*Impacts of the Oil and Natural Gas Industry on the US Economy in 2021*,” available at: <https://www.api.org/-/media/Files/Policy/American-Energy/PwC/2023/API-PWC-Economic-Impact-Report-2023.pdf>
² <https://lightsonenergy.org/>

Most importantly, for your constituents and all those whose hard work makes America great, we can all agree that the importance of energy to their lives and livelihoods cannot be overstated.

As we saw in the last election, the American people made their energy priorities clear: they voted for energy that is more affordable, more reliable, and more secure.

They voted for the freedom to make choices about what to drive and how to cook.

They voted for energy policy that keeps costs down and bolsters the economic strength and security of our nation. This energy vision America voted for is one we should all proudly embrace regardless of party or politics.

Now, as we look to the future, this committee and Congress have an incredible opportunity to solidify America's energy leadership for generations to come.

Working together, we can embrace smart regulations and commonsense policies that support energy growth, while continuing our shared commitment to environmental performance and innovation.

We can educate and train the next generation of the energy workforce and build on the millions of workers whose incredible efforts make American energy leadership a reality.³

We can build upon the \$2 trillion dollar impact the industry has on the U.S. economy, an amount larger than the GDP of 95% of the countries in the world.⁴

Nationally, the demand for energy is growing exponentially. Globally, with the population expected to reach 10 billion people by 2050, the demand for energy will continue to surge around the world.⁵

We must ensure America remains the world's energy powerhouse. Today we account for 17% of global crude oil production or nearly 13.5 million barrels per day,⁶ up from 8% in 2010 – a sea change that has delivered numerous economic and national security benefits.⁷

Yet despite the incredible strength of our industry and people, America's continuing energy leadership is far from guaranteed.

Extreme and inconsistent regulations have threatened everything from home appliances to power generation and exports.

³ API | New Analysis: America's Abundant Natural Gas and Oil Resources Deliver Americans Nearly \$2 Trillion in Economic, Trade & Job Benefits

⁴ API | New Analysis: America's Abundant Natural Gas and Oil Resources Deliver Americans Nearly \$2 Trillion in Economic, Trade & Job Benefits; <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

⁵ <https://population.un.org/dataportal/home?df=3c13047c-25cb-4801-ac65-16329227fa1d> (Accessed January 31, 2025)

⁶ EIA Crude Oil Production, https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbbbl_m.htm

⁷ EIA STEO <https://www.eia.gov/outlooks/steo/> (Accessed January 20, 2025)

Ineffective policies from the last Administration put investment at risk and ignored the reality that hundreds of billions of dollars in capital are required every year just to sustain U.S. production at current levels.

To address these challenges, API released its *Five Point Policy Roadmap to Secure American Energy Leadership*.⁸

API's Five Point Roadmap: Securing American Energy Leadership

API's comprehensive energy plan, released this fall, outlines **five key principles** and more than 20 specific policy recommendations to enhance and empower American energy leadership:

1. **Protecting Consumer Choice:** Our roadmap prioritizes policies that enable market-driven solutions, foster innovation, and ensure a stable and efficient energy supply chain. We must avoid policies that restrict energy sources or impose unnecessary mandates that threaten to raise costs for families and businesses.
2. **Bolstering our Geopolitical Strength:** Energy security is national security. We can leverage our energy resources to strengthen our position on the global stage, support our allies, and reduce dependence on foreign adversaries. Lifting the LNG export pause was a major step in reaffirming the United States as a reliable trading partner and cornerstone of global energy security. It also helps to stabilize global markets and curb reliance on higher-emitting alternatives.
3. **Leveraging our Natural Resources:** Ensuring access to America's vast energy resources is critical to maintaining energy security, affordability, and economic growth. According to the U.S. Energy Information Administration, the U.S. possesses over 48 billion barrels of crude oil reserves and more than 690 trillion cubic feet of natural gas reserves,⁹ yet unnecessary restrictions on federal lands and waters and punitive policies like the Biden Administration's methane fee limit our ability to fully harness these vast reserves. A fair regulatory environment and predictable and transparent leasing is essential to encouraging long-term investment in domestic energy production.
4. **Reforming our Permitting System:** An outdated and cumbersome permitting process hinders investment in meeting the needs of consumers. On average, it takes longer to permit an energy infrastructure project than it does to obtain a college degree. It does not have to be this way. API advocates for comprehensive permitting reform that improves predictability, reduces delays, and allows for the rapid deployment of energy infrastructure. A more efficient permitting system will help unlock billions in private investment, create jobs, and ensure that the U.S. has the pipeline capacity needed to meet growing demand for energy and allow us to win the critical AI race. Specifically, we need Congress to act to prevent statutes like NEPA and the Clean Water Act from being weaponized in the courts by opponents of U.S. energy development.
5. **Advancing Sensible Tax Policy:** A stable and globally competitive tax environment is essential for sustained investment in energy production, infrastructure, and technological advancements. Unnecessary tax burdens on the industry stifle growth, discourage new projects, and ultimately harm consumers. API supports policies that foster economic growth, encourage reinvestment in energy development, and ensure that tax structures align with long-term energy security and

⁸ <https://lightsonenergy.org/roadmap/>

⁹ EIA U.S. Crude Oil and Natural Gas Proved Reserves, Year-end 2022. <https://www.eia.gov/naturalgas/crudeoilreserves/>

environmental sustainability goals. This includes smart, commonsense legislation like the recently reintroduced Promoting Domestic Energy Production Act and ALIGN Act.

On behalf of our 11 million workers, we thank President Trump for his day one executive orders aimed at achieving American energy dominance – including *lifting the LNG pause, rescinding misguided vehicle mandates, restoring access to federal waters for oil and gas development that were hastily and improperly blocked by the previous administration* – that tackle many of the issues in our roadmap.

To remain on the path for long-term American energy leadership, API's 5-Point Policy Roadmap provides a detailed plan that Congress and the executive branch should consider in order to secure our nation's energy future.

America's Model: Energy Leadership

This roadmap is not only a pragmatic and proven vision – it is also complemented by a continuing commitment to safety, as well as environmental and technological innovation.

As an industry, we remain focused on cutting emissions responsibly from our own operations through improved practices and technology. This responsible focus has paid dividends – since 2015, the methane intensity of U.S. oil and gas production has plummeted 60%, even as production increased 50%.¹⁰

We also continue to expand the role of U.S. natural gas in displacing higher-emitting fuels, both at home and abroad. The switch from coal to natural gas has been the largest contributor to U.S. carbon emissions falling to generational lows, and our LNG industry allows us to export that environmental success story. With global coal demand at record highs, this winning recipe can deliver rapid emissions reductions.

Whether it is overcoming the challenges we face, executing on America's energy leadership roadmap, building upon the progress our industry has already achieved, or ensuring a stable policy environment that encourages investment rather than one that needlessly restricts access to resources or imposes unnecessary burdens, it is essential we embrace the opportunity for smart, predictable, and commonsense energy policies.

Conclusion

The era ahead is filled with great opportunity – if we seize it. America must rise to meet the energy challenges of the future with boldness and conviction. It has never been more vital that the U.S. control our energy future, and oil and gas are the bedrock of the strong and resilient economy that the American people expect and deserve. This committee and this Congress have an incredible opportunity to pass meaningful legislation that will move our country forward and secure our energy future.

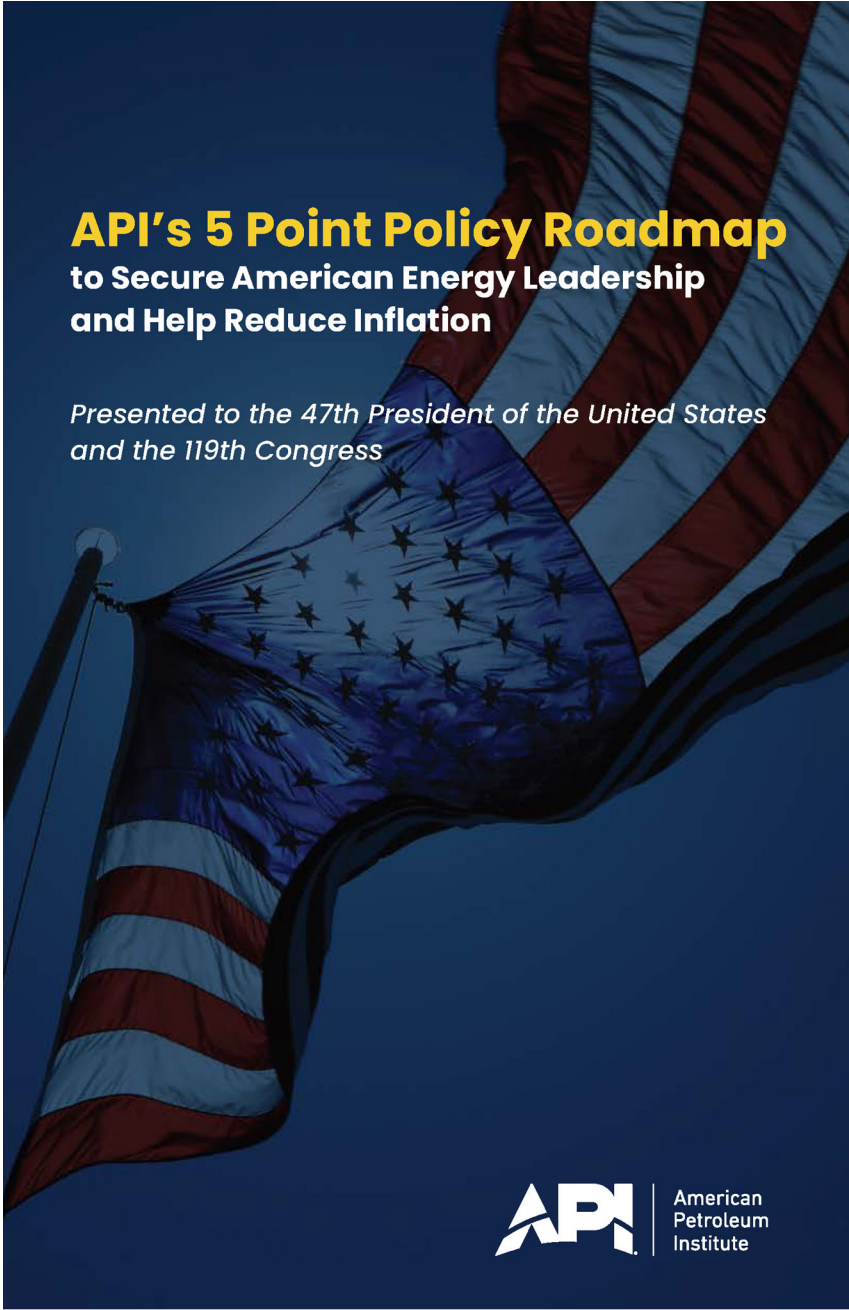
We look forward to working with Congress, the Administration, industry partners, stakeholders, and communities to build upon President Trump's executive orders and turn this energy opportunity into reality –

¹⁰ EPA Greenhouse Gas Reporting Program

a reality that ensures that American-produced energy continues to meet the needs of our country and the world – reliably, affordably, and responsibly.

For the benefit of all Americans, let's seize this profound opportunity to secure a cleaner, safer, and more prosperous energy future.

Mr. Chairman, Madam Ranking Member and distinguished members of the Committee, this concludes my prepared statement. Thank you, and I look forward to your questions.



API's 5 Point Policy Roadmap to Secure American Energy Leadership and Help Reduce Inflation

*Presented to the 47th President of the United States
and the 119th Congress*



Here are five actions policy makers can take to
secure American energy leadership,
protect consumers and help reduce inflation:

1

PROTECT CONSUMER CHOICE

2

BOLSTER GEOPOLITICAL STRENGTH

3

LEVERAGE OUR NATURAL RESOURCES

4

REFORM OUR PERMITTING SYSTEM

5

ADVANCE SENSIBLE TAX POLICY

1. Protect Consumer Choice

When it comes to energy, consumers should have more choice, not less. While we agree on the need to reduce transportation emissions, mandates do not work, and the government should not be telling Americans which cars to drive.

American consumers—as well as farmers, ranchers and small business owners—should not shoulder the burden of the extreme costs associated with a forced shift to electric vehicles (EVs). EVs are an option for some, but don't work for many Americans, and existing charging infrastructure is completely inadequate to meet the mandated targets.

Specifically, policy makers should:

- **Repeal the Environmental Protection Agency's (EPA) tailpipe rules.** For light-duty vehicles, the final rule requires 68% of new sales to be EVs or plug-in hybrid electric vehicles (PHEV) by 2032. For heavy-duty, over 40% of vocational vehicles (such as work trucks) would need to be zero-emissions vehicles (ZEV) by model year 2032. Additionally, long-haul tractors (semi-trucks) would need to go from 0% ZEV deployment today to 25% of the fleet by model year 2032. These rules severely restrict consumer choice and limit access to a broader range of vehicle options.
- **Repeal the National Highway Traffic Safety Administration's Corporate Average Fuel Economy (CAFE) standards.** These rules impose strict requirements aimed at phasing out liquid fuel vehicles by aligning with EPA's EV mandate and assuming California's plan for 100% EV sales is implemented on schedule. With 12 other states following California's lead, the CAFE rules assume a massive rise in EV sales. These standards are not technology-neutral, limit consumer choice, undermine energy security and likely lead to higher upfront costs for consumers.
- **Deny/Rescind EPA's Waiver for California's Advanced Clean Cars II (ACCI) rule.** California's ACCII program is nothing short of a 100% EV mandate by 2035. Worse, 12 other states have adopted the California ban on new gasoline cars via regulatory fiat.

While EPA has granted California waivers in the past, this policy is unprecedented in its scope and impact on consumers, and the waiver should be rescinded immediately.

These policies are out of step with consumer demand and deepen our dependence on China. Smart policy certainly has a role to play in reducing emissions from the transportation sector, but these efforts should instead take a life-cycle approach, be technology-neutral and implemented on a workable timeline.

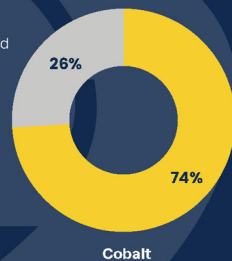
Do you support or oppose government mandates that would ban gas stoves, gas furnaces, or new gasoline, diesel and hybrid vehicles?

73% Oppose

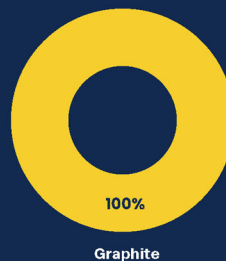
26% Support

Mandating EVs increases reliance on Chinese supply chains
China's share of key EV processing minerals

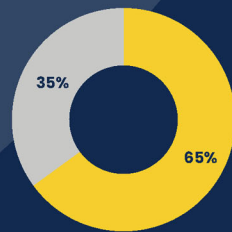
■ China
■ Rest of world



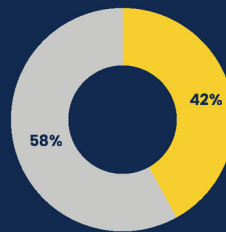
Cobalt



Graphite



Lithium



Copper

Source: International Energy Agency.

2. Bolster Geopolitical Strength

America benefits enormously from being a net energy exporter and policy makers should continue to speak clearly and without equivocation about our intention to remain the supplier of choice for allies around the world.

Nowhere is the value of energy as a geopolitical strength clearer than U.S. liquefied natural gas (LNG). Increased U.S. LNG exports are critical to reducing America's trade deficit and are a key competitive edge against China, Russia and other bad actors. It is also a proven way to reduce emissions via displacing dirtier fuels—the same winning recipe that has allowed the U.S. to lead the world in emissions reductions.

Specifically, policy makers should continue to:

- **Lift the Department of Energy's (DOE) LNG permitting pause.** The LNG pause is terrible policy, and the negative consequences are already being felt. Global gas demand is at record highs and rising rapidly, and this demand should be met with supply from the United States. Lifting the pause can be done on Day One and will have an immediate effect.
- **Swiftly process all pending export applications now languishing at DOE.** Since the pause has been in effect, U.S. LNG investment has plummeted, and no new projects have been approved. Billions of dollars of investment and thousands of jobs in Gulf Coast communities have been unnecessarily sidelined by this policy.
- **Ensure the open access of American energy to global markets.** The U.S. should be a leader in exporting all forms of energy and energy technologies, including oil and natural gas. Oil and natural gas jobs cannot be outsourced, and exports help bolster our trade balances and give the U.S. leverage over geopolitical competitors.

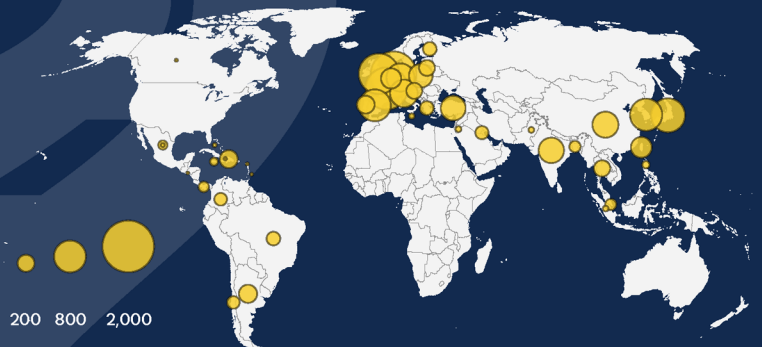
These commonsense policies will restore American energy leadership and send a strong signal to our allies around the world that the United States will remain the go-to supplier of energy for importing nations.

Do you agree or disagree that producing oil and natural gas here in America helps make our country more secure against actions by countries such as China and Russia?

89% Agree

11% Disagree

A majority of U.S. LNG exports support allies in Europe
U.S. liquefied natural gas (LNG) exports in 2023 (million cubic feet per day)



Source: U.S. EIA

3. Leverage our Natural Resources

Energy production in the United States benefits every region of the country, ranging from private lands to federal lands and waters. Oil and natural gas production, especially from areas leased by the government, offers enormous benefits to all Americans and is the bedrock of our resource base.

Unfortunately, the previous administration impeded resource development, including implementing the weakest offshore leasing program in history. In 2024, the U.S. did not have an offshore lease sale for the first time since 1966. A pro-American energy approach is needed to initiate a new era of federal energy leasing.

Specifically, policy makers should:

- **Issue a new Bureau of Ocean Energy Management (BOEM) five-year offshore leasing program.** Our offshore resources are not only vast, but also among the lowest carbon intensity barrels produced anywhere in the world. A new and more predictable five-year program should be developed that reflects both the reality of global energy demand and the benefits that offshore production brings to the United States.
- **Repeal restrictive onshore leasing rules, starting with the Bureau of Land Management (BLM) Conservation and Landscape Health Rule.** Onshore, the opportunity is just as significant. Unfortunately, a recent series of rules are now being implemented designed to impeding investment in energy development on federal lands. All of these rules should be swiftly repealed.
- **Work with Congress to repeal EPA's methane fee.** EPA's implementation of the Inflation Reduction Act's "Waste Emissions Charge" misinterprets Congressional intent, and does little beyond increasing the cost of production for American oil and natural gas.

Oil and natural gas production from federal lands and waters offers tremendous benefits to all and is using the highest safety and environmental standards. Given the scale of our resource base, opportunities for development stretch decades into the future.

Do you support or oppose the U.S. increasing its own domestic sources of oil and natural gas rather than relying on other regions in the world?

88% Support

12% Oppose

New leases on federal lands are down 91% compared with the 20 year average

Number of new leases issued on federal lands

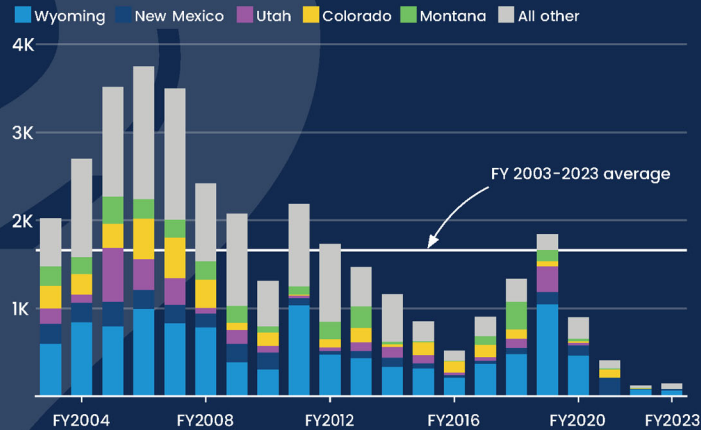


Chart: API • Source: Bureau of Land Management

4. Reform our Permitting System

Americans can't drive down the road without witnessing firsthand our failing infrastructure. Unfortunately, it is even worse than potholes and crumbling bridges. Burdensome regulations and government red tape have made it impossible to build anything in this country. Billions of dollars of investment and tens of thousands of American jobs are squandered because of our broken permitting process.

We need smart, comprehensive permitting reform that ensures transparency, predictability, timeliness and durability. The permitting process has been weaponized by opponents of energy progress to stop projects before they even start. Reform will ensure we can build the infrastructure needed for today and for the future.

Given the depth of the problem and the scale of the benefits, this would be a legacy-defining achievement.

Specifically, policy makers should:

› **Work with Congress to pass Comprehensive Permitting Reform.**

All sectors of the economy will benefit from comprehensive permitting reform. We need:

- **National Environmental Protection Act (NEPA) reform:** To provide greater certainty regarding timelines and scope of environmental reviews.
- **Judicial reform:** To clarify when, where and who can file legal challenges.
- **Clean Water Act (CWA) reform:** To ensure the statute is only used as intended, and not as a "de facto" veto for politically disfavored infrastructure projects.

› **Repeal the Biden-era NEPA rules.** Unfortunately, instead of working to solve the problem, recent regulatory efforts have only made it worse, sowing even greater uncertainty into an already broken process. The NEPA Phase 1 and Phase 2 rules are inconsistent with the original statutory intent.

Do you support or oppose permitting reform that would streamline and speed up the federal government's years-long process for approving energy infrastructure projects here in America?

83% Support

17% Oppose



5. Advance Sensible Tax Policy

The U.S. oil and natural gas industry supports nearly 11 million jobs and is responsible for billions of dollars of domestic investment in 2025. But capital flows where capital is welcome, and U.S. tax policy must be competitive with other countries.

Specifically, policy makers should:

- **Retain the 21% corporate tax rate** to ensure global competitiveness.
- **Maintain and extend tax provisions for domestic infrastructure investment.** These provisions benefit multiple industries and drive investment and job creation. Immediate deductions for intangible drilling costs (IDCs) should be retained, 100% bonus depreciation should be reinstated, and technology-neutral tax credits that spur innovation should be supported.
- **Preserve crucial international tax provisions.** Overseas investment is vital to ensuring adequate energy supply, and companies that make those investments should be protected from duplicative and punitive double-taxation.

Industry investment rests on sound, predictable tax policy. With many key tax provisions expiring at the end of this year, it is critical they be extended to ensure the next chapter of our energy future is once again written here in America.

Do you support or oppose a federal tax policy that encourages American energy production and strengthens the country's economic and energy security?

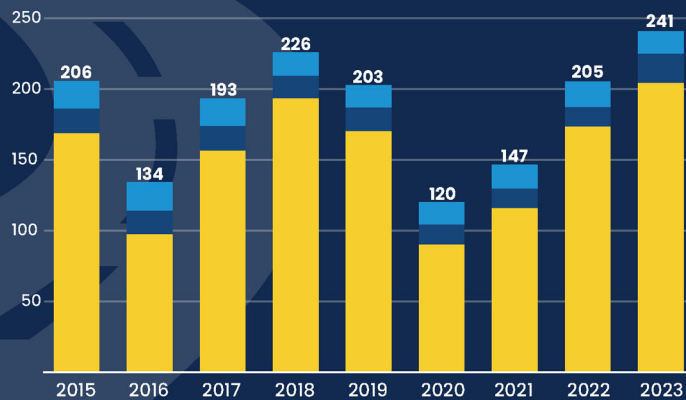
81% Support

19% Oppose

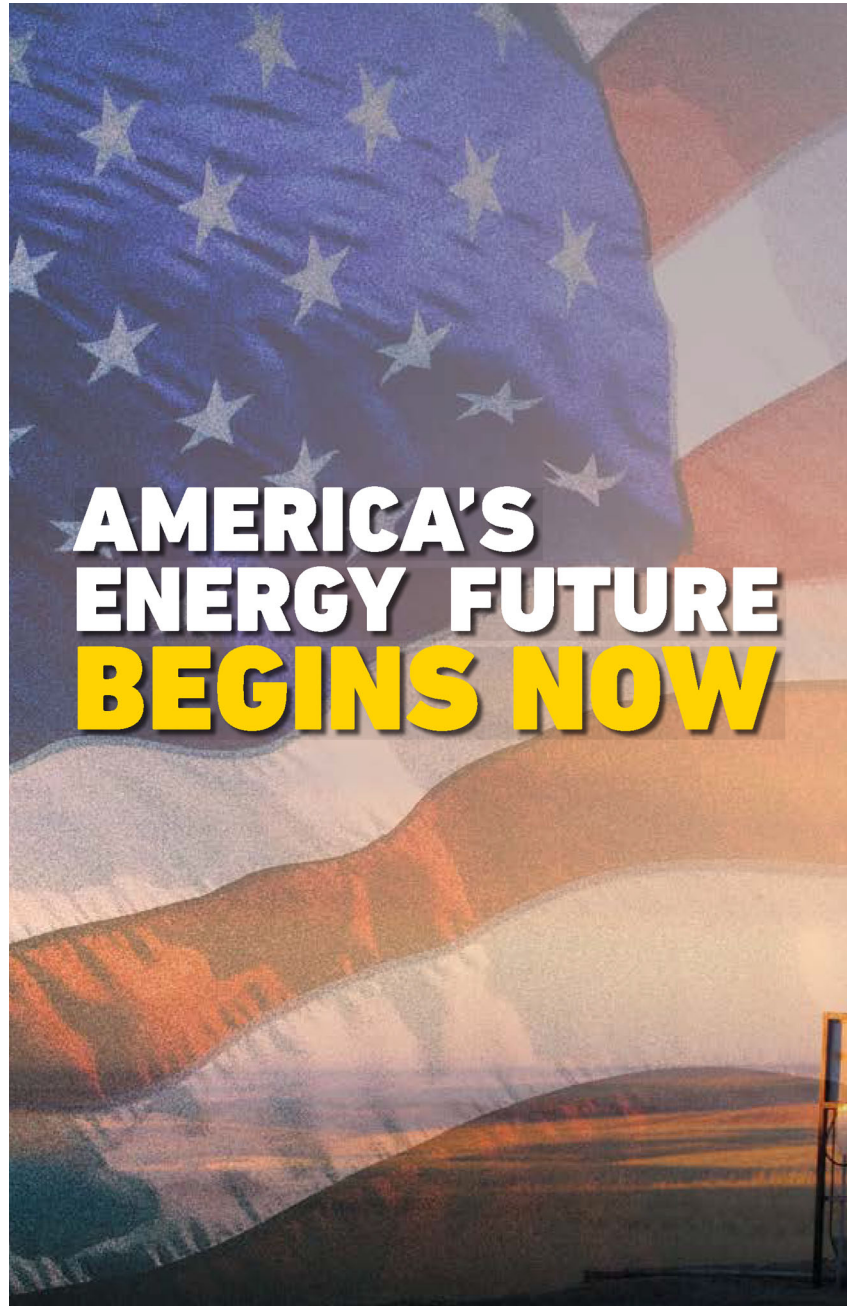
U.S. oil and natural gas investments totaled \$1.6 trillion since 2015

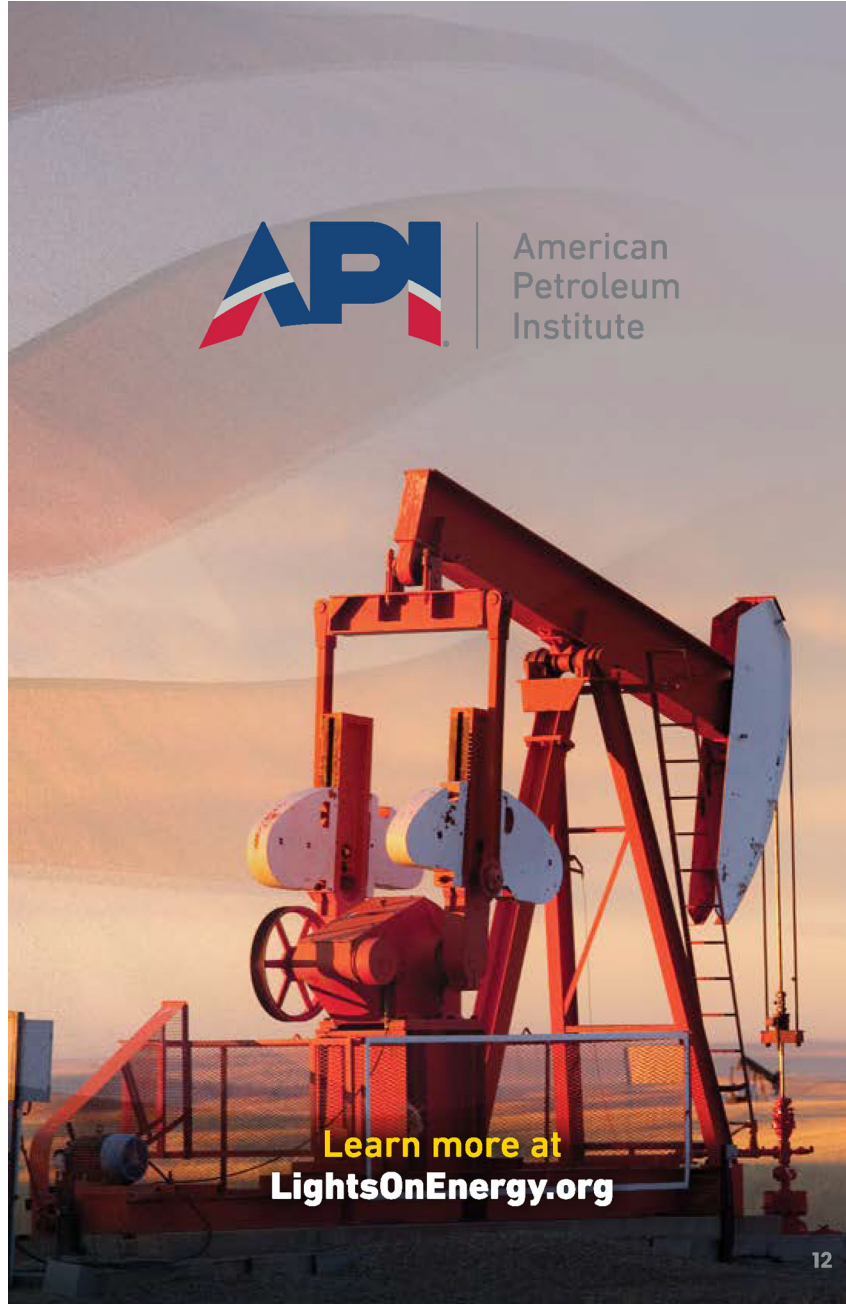
Annual U.S. oil and natural gas industry capital expenditures by segment (billion US dollars, nominal)

Upstream Midstream Downstream



Source: S&P Global Commodities Insights







[API.org/Roadmap](https://api.org/Roadmap)

Mr. LATTA. Well, thank you very much.

And, Mr. Arnold, you are recognized for 5 minutes for your opening statement.

STATEMENT OF GARY ARNOLD

Mr. ARNOLD. Well, good morning, Chairman Latta, Ranking Member Castor, and members of the committee.

My name is Gary Arnold, and I am the business manager of Pipefitters Local 208 based in Denver, Colorado. I also serve as the international vice president of the United Association of Union Pipefitters and Plumbers, Local 208's parent union.

Local 208 and the UA take great pride in providing the American people and our business partners with the highest-skilled and best-trained energy workers in the world.

I also know firsthand that the careers pursued by these workers are life-changing and truly provide a path to the middle class where Americans enjoy family-sustaining wages and benefits without crippling student loan debt.

So on behalf of our members, I want to thank you for the opportunity to be here to discuss a topic that is near and dear to us: unleashing American energy.

Like most Americans, hard-working pipefitters want energy that is affordable, reliable, American made, and safe for their families and communities.

We support efforts to make the energy we produce cleaner. However, we take exception to being asked to suffer lost job opportunities, higher energy prices, and power outages because of opposition to projects from fringe groups that is rooted in scare tactics and unrealistic solutions to real-world energy demand.

Our members want to see America lead on energy because the good of the country and our own careers and livelihoods depend on it.

We have a difficult time understanding why it takes several years to permit a natural gas pipeline in a country that is sitting on a mountain of reserves while at the same time seeing electricity prices rise.

We struggle to comprehend why many still resist the expansion of nuclear energy when we have used nuclear for more than a half a century without a single injury or fatality and when it produces electricity on less land than any other clean source.

We have a difficult time understanding how groups claiming to be focused on reducing emissions are having success undermining carbon-capture projects that would make existing power plants and industrial facilities cleaner.

To unleash American energy, we must speed up the project approval process and reduce the needless uncertainty and costs that energy companies and consumers are being asked to endure.

We must also reduce the ability of fringe groups to leverage every chokepoint that they can to punish companies for building the energy infrastructure we need.

For these reasons, I am very encouraged by President Trump's Executive order on unleashing American energy. It is vital that we address regulations and policies that undermine the development

of critical energy sources like natural gas, oil, nuclear, biofuels, and geothermal, as well as newer promising sources like blue hydrogen.

Together with the steps that are already being taken, I encourage the administration and Congress to build on the Inflation Reduction Act and other laws that are moving the ball forward on energy in important respects—for example, the IRA tax credits, loan guaranty authority, and research to support the expansion of nuclear energy.

In addition, the IRA's expansion of the IRS 45Q tax credit has led to a surge in development of carbon capture and sequestration systems. These systems will make it possible to extend the life of or even save plants that might otherwise be shuttered.

The carbon captured by these systems can also be repurposed for various uses, including enhanced oil recovery and concrete production.

As members of this committee work legislatively to unleash the American energy, we will be working to unleash the training needed to build these projects safely and to the highest-quality standards.

Local 208 and our contractors invest about \$2 million per year in training, and the UA collectively invests over \$300 million per year at over 300 training centers.

These investments make it possible for us to deliver cutting-edge training to Americans at virtually zero cost to them. And let me emphasize that these are 100 percent private dollars. We don't ask for a dime from the taxpayer.

With your support in unleashing American energy and giving our members the opportunity to build more projects, we can expand our training programs and produce even more qualified workers to meet the needs of future projects.

And unlike some in our industry, we don't look to foreign countries or even other parts of the country to staff projects. We utilize local referral systems that provide opportunities to workers in the areas where the projects are being built.

In addition, as more work becomes available, we recruit and train from within the local community to man that work. We believe—as we know you do—that if there is a project in your district, local workers should have the chance to work on it.

Thank you again for the opportunity to participate in this important hearing, and I look forward to your questions.

[The prepared statement of Mr. Arnold follows:]

**Gary Arnold, Business Manager
Pipefitters Local 208, Denver, Colorado**

**Hearing on Powering America's Future: Unleashing American Energy
Before the U.S. House Committee on Energy and Commerce, Subcommittee on Energy**

February 5, 2024

My name is Gary Arnold and I am the Business Manager of Pipefitters Local 208, based in Denver, Colorado. Local 208 represents over 1,900 hard-working American craftspeople, a great many of whom play a vital role in building and maintaining the energy infrastructure of Colorado and other states. Local 208 is an affiliate of the United Association of Journeymen and Apprentices of the United States and Canada, AFL-CIO ("UA"), which, in total, represents over 384,000 craftspeople in the pipefitting and related industries. In addition to serving as Business Manager of Local 208, I serve as a UA International Vice President. The UA takes great pride in offering the American people and our business partners the highest-skilled and best-trained energy workforce in the world. Our members can be found on almost every type of energy project in the country, including oil, gas, nuclear, hydrogen, biofuels, geothermal—to name just a few.

Chairman Latta, Ranking Member Castor, it is an honor to appear before the Committee to discuss a cause that is near and dear to the hearts of our members and me: unleashing American energy.

Let me begin with some background on myself. I have served as Business Manager of Local 208 since 2017. In addition to holding this post, and that of UA International Vice President, I serve as the Business Manager of Rocky Mountain Pipe Trades District Council 5, which is focused on coordinating efforts and initiatives of the UA community in the states of Colorado and Wyoming.

Education and training have always been a passion of mine and I have been pleased to pursue that passion in multiple capacities. As a Trustee of Local 208's Joint Apprenticeship

Training Committee (JATC), I work to develop educational standards, curriculum, operations, and funding to improve apprenticeship training, journeyman continuing education, and specialized training programs. I have also supported our Registered Apprenticeship Program for 3 years as its Head Training Director and for 8 years as a Program instructor. In addition, I contribute to training initiatives for the State of Colorado in multiple ways, including as Chairman of the State's Apprenticeship Council.

While I have been fortunate to have the opportunity to serve in the leadership positions mentioned above, I am, at my core, a proud American pipefitter and I know first-hand the life-changing opportunities these careers provide. The knowledge and skills I obtained through my union apprenticeship have given me the opportunity to pursue a career contributing to the betterment of my community, state and country while earning family-supporting wages and health and retirement benefits. For over 14 years, I worked as an industrial/commercial pipefitter, building and maintaining critical infrastructure upon which our economy and citizens depend, including energy facilities like the Cherokee Generating Station, a natural gas power plant located approximately 1.5 miles from Local 208's union hall.

Today, the members of Local 208 are performing or preparing for numerous important energy projects. This work includes but is not limited to the installation and maintenance of gas distribution pipelines for several companies throughout the states of Colorado and Wyoming, construction of two new simple cycle gas-fired power plants, and pipe fabrication and maintenance and repair work at multiple midstream oil and gas processing plants and compressor stations.

Our members are among the best of America. They work extremely hard to support themselves and their families, pay their bills, save a little bit for retirement, and, on occasion, enjoy some well-earned leisure time. They care deeply about their community and country. They are

the type of folks who coach little league teams, volunteer for charitable endeavors, and will respond to a neighbor's call without hesitation or asking for anything in return. And, for the most part, we favor fact-based, common-sense approaches to real world problems, including energy.

Like most Americans, our members want energy that is affordable, reliable, American-made, and safe for their families and communities. They support efforts to make the energy we produce cleaner. Why wouldn't we? Local 208 members, like UA members across the country, live in the communities where our energy projects are built. However, they take exception to being asked to suffer lost job opportunities, higher energy prices, and outages because of opposition to projects from fringe groups rooted in scare tactics and unrealistic solutions to real-world energy demands.

Our members also want to see America lead on energy. They have a difficult time understanding, for example, why it takes several years to permit a natural gas pipeline in a country that is sitting on enormous natural gas reserves and seeing steep increases in electricity costs. They struggle to comprehend why many still resist the expansion of nuclear energy when we've used nuclear energy for more than a half century without a single injury or fatality and when nuclear energy produces more electricity using less land than any other clean energy source. And they have a difficult time understanding how groups purporting to be focused on reducing emissions are having success undermining carbon capture projects that would make existing power plants and industrial facilities substantially cleaner.

To unleash American energy, we must speed up the project approval process and reduce the needless uncertainty and costs that energy companies and consumers are being asked to endure. The process for permitting new coal-fired plants in China takes months, while, in the United States, it takes us several years to obtain approvals to capture carbon from existing coal-fired plants. This

is not to say that we should adopt China's permitting laws. However, it is clear that we must move much faster on permitting and reduce the ability of fringe groups to leverage seemingly endless chokepoints to punish companies for undertaking projects to build the energy infrastructure we need.

For these reasons, I am very encouraged by President Trump's Executive Order entitled "Unleashing American Energy."¹ The President's Executive Order requires federal agencies to review and address regulations and policies that burden the development and use of domestic energy, "with particular attention to oil, natural gas, coal, hydropower, biofuels, critical mineral, and nuclear energy resources." In addition to the sources cited in the President's Order, particular attention should be paid to geothermal, blue hydrogen (produced from natural gas and captured carbon dioxide), and carbon capture and sequestration technologies—all of which are showing great promise and can significantly enhance our energy security. Moreover, the President's Order will help to ensure that federal permitting reviews are conducted in strict accordance with the requirements of the National Environmental Policy Act and that superfluous regulations and protocols are eliminated. Many of these measures enjoy broad bipartisan support in Congress.

The actions taken by President Trump to resume processing export permit applications for new liquefied natural gas projects are also welcome. Our country's vast natural gas reserves give us the ability to deliver ample LNG both to consumers domestically and to our allies abroad. As a major producer of natural gas that has more than it needs, Colorado is well-positioned to take advantage of a West Coast LNG facility. If we can construct additional pipelines to connect existing pipelines heading westward, we will be able to take full advantage of getting Colorado's natural gas to markets that are currently inaccessible to us.

¹ Executive Office of the President [Donald J. Trump]. Executive Order 14154: Unleashing American Energy. 20 January 2025. *Federal Register*, Vol. 90 No. 18, pp. 8353-8359, <https://www.govinfo.gov/content/pkg/FR-2025-01-29/pdf/2025-01956.pdf>.

As the Congress seeks to support these and other initiatives to invigorate the U.S. energy sector, our members strongly urge you to build upon the Inflation Reduction Act (“IRA”) and other laws that are moving the ball forward on energy in important respects. For example, the IRA includes tax credits, loan guarantee authority, and research to support the expansion of nuclear energy. In addition, the IRA’s expansion of the Internal Revenue Code Section 45Q tax credit has led to a surge in development and installation of carbon capture and sequestration systems. These systems will make it possible to extend the life of, or save, existing coal and other plants that might otherwise be shuttered. Plant closures can be devastating for communities, depriving them of desperately-needed jobs, tax revenue, and other vital economic impacts. The carbon captured by these systems can also be repurposed for various uses, including enhanced oil recovery and concrete production.

As we speak, there are carbon capture projects being considered throughout the United States, including in northern Colorado. With the support of the White House and the Congress, we can maximize the economic and energy security benefits that those opportunities provide.

As the members of this Committee work legislatively to unleash American energy, we will be working to unleash the training needed to build those projects safely and to the highest-quality standards. Local 208 and our contractor partners invest about \$2 million each year in apprenticeship and journeyman upgrade training. These are 100% private dollars. We don’t ask for a dime from the taxpayer. Local 208’s training program has 50 part-time instructors who teach apprentices in the evenings after work, along with another 10 instructors we’ve retained in collaboration with industry partners. The UA as a whole invests over \$300 million per year in apprenticeship and journeyman upgrade training at more than 300 training centers located in every state. The total investment across the building trades and our private sector partners exceeds \$1 billion. These investments make it possible for us to deliver cutting-edge training at virtually zero cost to participants, and to build and

sustain the most well-trained and -skilled workforce in the country, ensuring the integrity of our projects, the safety of our workers, and the best possible work product for our clients. The careers supported by these investments—which allow Americans to provide for themselves and their families without taking on massive amounts of debt—should be celebrated and protected.

In our industry, every project is an opportunity to deliver important on-the-job training to apprentices that will produce more qualified journeyman workers for future projects. With your support in unleashing American energy and giving our members the opportunity to build more projects, we can expand our training programs and produce even more qualified workers to meet the needs of future projects. And, unlike some in our industry, we don't look to foreign countries—or even other parts of the country—to staff projects. We utilize local referral systems that provide opportunities to workers in the area where the projects are being built. In addition, as more work becomes available, we recruit and train people from within the local community to man that work. We believe, as we know you do, that, if there is a project in your district, local workers should have the opportunity to build it. Through programs like the UA's award-winning Veterans in Piping Program, we also work to ensure that our military veterans have those opportunities as well.²

As I indicated earlier, unleashing American energy isn't just important for our national and energy security—it is also important for the economic security of our country, communities, and working families. Many of the projects we are talking about provide life-changing opportunities to hard working Americans—and the UA has been proud to be a part of delivering those opportunities.

One example of the life-changing opportunities these projects provide can be found in Vernon Parish, Louisiana. In the summer of 2023, the UA partnered with CapturePoint to deliver

² United Association Veterans in Piping (VIP) Program, 31 Jan. 2025, www.uavip.org.

career and technical training to high school juniors and seniors in the Parish, in connection with CapturePoint’s development of the Central Louisiana Regional Carbon Storage Hub, which will store and sequester millions of tons of carbon dioxide each year. Under an agreement between the UA, CapturePoint and the Vernon Parish School Board, the UA is delivering training in the pipeline and plumbing industries, including in the carbon capture work to be done at the new hub, to a part of the country where job opportunities are lacking. The UA and CapturePoint committed hundreds of thousands of dollars in private funding to provide training classrooms and workshops, instructors, and transportation for students—all with the goal of ensuring that the next generation of Louisiana workers can take advantage of the job opportunities arising in their backyards.³

Closer to home, in Pueblo, Colorado, we are in the midst of a high-stakes discussion about mitigating the loss of the Comanche 3 Coal-Fired Power Plant in 2031. According to polling, 63% of Pueblo residents are concerned about the loss of Comanche 3—and rightly so, given that Comanche 3 is an economic staple of the Pueblo community, with a total annual impact of over \$196 million a year.⁴ The losses of jobs, businesses and tax revenue will hurt the Pueblo community for decades, at least unless there is a strong plan in place to replace the economic engine Comanche 3 currently provides. After studying various options to replace Comanche 3, the Pueblo Innovative Energy Solutions Advisory Committee recommended that Xcel Energy, the owner of Comanche 3, look closely at constructing advanced nuclear units, including small nuclear modules. Not only would the energy produced be zero-emissions, it would also create 200-300 jobs with a salary range of \$60,000-\$200,000, along with annual tax payments of \$95.29 million.⁵

³ See Carbon Action Alliance. “Telling the Vernon Parish Carbon Management Story (Video).” *YouTube*, 8 Feb. 2024, <https://www.youtube.com/watch?v=QmGvS7Jf0y0>.

⁴ Koehler, Corinne, et al. “Pueblo Innovative Energy Solutions Advisory Committee Report,” 2024. p. 2. <https://www.xcelenergy.com/staticfiles/xe-responsive/Archive/PIESAC%20Written%20Report.pdf>.

⁵ Koehler, Corinne, et al., pp. 3-4.

Let me close by thanking the Committee for holding a hearing on the tremendously consequential topic of unleashing American energy. Thank you.

GARY ARNOLD - ONE PAGE SUMMARY OF MAJOR POINTS

- Local 208 and the UA takes great pride in offering the American people and our business partners the highest-skilled and best-trained energy workforce in the world.
- Our members favor a fact-based, common-sense approach to energy. We want energy that is affordable, reliable, American-made, and safe. We support efforts to make the energy we produce cleaner. However, we take exception to being asked to suffer lost jobs, higher energy prices, and outages because of irrational opposition to projects from fringe groups.
- Our members also want to see America lead on energy. We have a difficult time understanding, for example, why it takes several years to permit a natural gas pipeline in a country that is sitting on enormous reserves and seeing steep increases in electricity costs.
- To unleash American energy, we must speed up the project approval process and reduce the needless uncertainty and costs that energy companies and consumers are being asked to endure. For these reasons, I am very encouraged by President Trump's Executive Order entitled "Unleashing American Energy," which advances these objectives.
- Our members strongly urge the White House and Congress to build upon the Inflation Reduction Act and other laws that are moving the ball forward on energy.
- As the members of this Committee work legislatively to unleash American energy, we will be working to unleash the training needed to build those projects safely and to the highest-quality standards. Local 208 and our contractor partners invest about \$2 million each year in apprenticeship and journeyman training. These are 100% private, non-taxpayer dollars.
- Unleashing American energy isn't just important for our national and energy security—it is also important for the economic security of our country, communities, and working families.

Mr. LATTA. Well, thank you very much for your testimony.

And, Mr. O'Connor, you will be recognized for 5 minutes. But beforehand, welcome back to the committee. And what years again were you here on staff at the committee?

Mr. O'CONNOR. The 117th Congress.

Mr. LATTA. Well, thank you very much for your service. And you are recognized for 5 minutes for your opening statement.

STATEMENT OF TYLER O'CONNOR

Mr. O'CONNOR. Thank you very much.

Good morning, Chairman Latta, Ranking Member Castor, Chairman Guthrie and Ranking Member Pallone, and members of the Electricity Subcommittee.

Thank you for the invitation to testify today about American energy policy. As you just noted, as a former E&C staffer, it is exciting to be back here before the most important committee in Congress.

For those of you I don't know, my name is Tyler O'Connor, and I lead the energy team at the international law firm Crowell & Moring. In that role, I primarily advise energy companies on Federal laws, regulations, and policies, giving me insight into how those policies can either unleash American energy or stymie it.

This subcommittee hearing on unleashing American energy could not be more timely. Our country, as some folks have noted, is at a crossroads. We are already producing record amounts of oil and gas, American manufacturing is booming thanks to the Inflation Reduction Act and the Infrastructure Investment and Jobs Act, and our geopolitical adversaries, like China and Russia, are struggling to keep pace with American ingenuity and resolve.

In other words, we have unleashed American energy.

But there is still work to be done. So to that end, in the course of my testimony here today I hope to convey three key points that will hopefully inform the committee's work moving forward.

First, the IRA and the infrastructure bill are catalyzing investments in the United States and adding gigawatts of new generation projects to the grid.

In the last 2 years, as Ranking Member Castor noted, the IRA and IIJA have supported \$422 billion in clean-energy generation and new manufacturing, resulting in more than 400,000 new jobs across the continental United States and Puerto Rico. Of those, more than half are in Republican-held congressional districts.

Point one: Undermining the IRA and IIJA, whether legislatively or by withholding Federal funding, will increase the cost of power and make it more difficult to serve growing load from AI and data centers.

Second, I represent project developers, and I can tell you energy infrastructure projects are complex, they are time-consuming, and they are capital intensive and expensive under the best of circumstances. Actions that undermine business certainty and raise costs, such as pausing the issuance of Federal permits, repealing tax credits for generation projects and manufacturers, and imposing tariffs on key components, will reduce investment and harm the long-term interests of the United States. Ultimately, those costs will be borne by American families.

And third, there are a number of commonsense measures we can take to promote American energy dominance, to maintain electric reliability, and to increase American competitiveness. I will just touch on a few of those here.

There is a common refrain in the energy industry that electricity may only be 5 percent of the economy, but it is the first 5 percent, because without electricity nothing else works. We can't support our domestic military installations, we can't serve growing load from AI and data centers, and we can't power our homes and businesses.

Unfortunately, extreme weather and load growth are stressing our electric grid and putting our country at risk.

According to the North American Electric Reliability Corporation, the United States must build 35 gigawatts of interregional transport capability, of transmission, in order to reliably serve the demands of tomorrow.

As Secretary of Energy Chris Wright recently testified, quote, "Strengthening, modernizing, and protecting the electricity grid and other critical infrastructure is a top priority."

As such, the committee should consider what steps it can take to facilitate the permitting, planning, and cost allocation of critical transmission lines, including interregional projects.

Likewise, while many supply chains have recovered since COVID, others have not, and there remains a shortage of critical electric grid components necessary to interconnect projects to the grid.

The committee should investigate what measures Congress can take to facilitate the domestic production of needed transformers, breakers, switch gear, and other components.

Finally, this committee and others have focused significant attention on the need to timely permit energy projects. And while certain laws may need reform, many projects are also delayed because agencies lack the staff and resources to timely review and permit projects.

I would, therefore, encourage you, in the course of this Congress, to maintain staffing at agencies like FERC that play an important role in the permitting process.

In conclusion, I say this as somebody who represents energy companies: America is the best place to do business in the world if you are an energy company, both because of American ingenuity and fortitude, but also because we have the rule of law and we stand behind our promises.

If American companies cannot be confident that the U.S. Government will keep its funding and tax commitments, they will invest in alternative jurisdictions that provide a more stable and predictable business environment. We should not let that happen.

Thank you, and I look forward to answering your questions.

[The prepared statement of Mr. O'Connor follows:]

**U.S. House Energy and Commerce Committee
Subcommittee on Energy Hearing
Power America's Future: Unleashing American Energy**

Congressional Testimony of Tyler O'Connor
Partner, Crowell & Moring LLP

February 5, 2025

Good morning, Chairman Latta, Ranking Member Castor, Chairman Guthrie, Ranking Member Pallone, and members of the Subcommittee. Thank you for the opportunity to testify. I am here today in my personal capacity, and not on behalf of my firm or any client.

My name is Tyler O'Connor, and I am a Partner in the Washington, D.C. office of Crowell & Moring LLP, where I co-lead the Energy team. In that role, I primarily represent generation and transmission developers, energy asset owners, manufacturers of energy components, and producers and refiners of critical minerals. Prior to joining Crowell, I served as the Energy Counsel to the House Energy and Commerce Committee during the 117th Congress, where my portfolio included the Federal Power Act and Natural Gas Act. I also had the distinct privilege, with many others, of working on the Inflation Reduction Act ("IRA") and Infrastructure Investment and Jobs Act ("IIJA"), two pieces of legislation that are the bedrock of our country's energy dominance agenda.

This Subcommittee hearing could not be more timely. Our country is at a crossroads. We are producing record amounts of oil and gas, American manufacturing is booming thanks to the IRA and IIJA, and our geopolitical adversaries, like China and Russia, are struggling to keep pace with American ingenuity and resolve. In other words, we have unleashed American energy. However, there is still work to be done. As this Committee heard last Congress, artificial intelligence and data centers are increasing load growth for the first time in more than two decades, worsening extreme weather is threatening electric reliability, and critical mineral supply

chains have begun to move back to the United States. Moreover, while large-scale energy infrastructure is challenging to build in any environment, recent policy uncertainty—in the form of tariffs, federal funding freezes, permitting pauses, and threats to repeal tax incentives—is quickly undermining business confidence in the United States.

My testimony will touch on each of these topics, including the importance of maintaining incentives that are critical to inducing new investment in the United States, and avoiding policy pitfalls that may undermine the American energy dominance agenda.

I. **American Energy Dominance.**

The United States has successfully implemented an “all of the above” energy agenda. We are currently the world’s largest oil and natural gas producer, by a large margin.¹ As the Energy Information Administration succinctly noted last year: the “United States produces more crude oil than any country, ever.”² Exports of liquified natural gas are likewise at an all-time high.³

At the same time, the IRA and IIJA have spurred considerable new investments in clean energy technologies, manufacturing, and the electric grid. A recent report by ICF International, Inc. estimates that the IRA will ultimately stimulate nearly \$2 trillion in capital investments, increase household income by \$846 billion, create 13.7 million jobs, and boost annual gross domestic product by an annual average of approximately 0.6%.⁴ In the last two years alone, the IRA and IIJA have induced \$422 billion in clean energy generation and manufacturing projects,

¹ U.S. Energy Information Administration, *United States Produces More Crude Oil Than Any Country, Ever* (Mar. 11, 2024), <https://www.eia.gov/todayinenergy/detail.php?id=61545>; Maguire, G., *US Keeps its LNG Exports Crown Even as Luster Fades* (Dec. 18, 2024), <https://www.reuters.com/business/energy/us-keeps-its-lng-exports-crown-even-luster-fades-maguire-2024-12-17/#>.

² U.S. Energy Information Administration, *United States Produces More Crude Oil Than Any Country, Ever* (Mar. 11, 2024), <https://www.eia.gov/todayinenergy/detail.php?id=61545>.

³ Paraskova, T., *U.S. Remains the World’s Top LNG Exporter as Shipments Hit Record High*, OilPrice.com (Dec. 17, 2024), <https://oilprice.com/Latest-Energy-News/World-News/US-Remains-the-Worlds-Top-LNG-Exporter-as-Shipments-Hit-Record-High.html#:~:text=The%20United%20States%20will%20remain,by%20Reuters%20columnist%20Gavin%20Maguire>.

⁴ ICF International, Inc., *Economy-wide Impacts of the Inflation Reduction Act Energy Provisions* at 6, 70, (Dec. 19, 2024), <https://cleanpower.org/wp-content/uploads/gateway/2024/12/Economy-wide-Impacts-of-the-Inflation-Reduction-Act-Energy-Provisions.pdf>.

resulting in more than 406,000 new jobs across the continental United States and Puerto Rico.⁵ Of those jobs, more than half are located in Republican-held Congressional districts.⁶

Importantly, both the IRA and IIJA have helped promote long-term investments across a wide array of industries and technologies. For instance, the IRA includes robust incentives to produce energy components and critical minerals in the United States instead of importing them from China.⁷ I have personally worked with companies that have reoriented their supply chains in response to the IRA's incentives so that components that were formerly made abroad are now made in the United States.

The IRA established programs and tax credits that incentivize nuclear energy,⁸ carbon capture and storage ("CCS"),⁹ hydrogen production,¹⁰ and sustainable aviation fuels.¹¹ For example, the Palisades nuclear plant, located on the shores of Lake Michigan, received a loan guarantee from the Department of Energy ("DOE") to bring once-retired baseload power back online. It is no surprise, then, that the Nuclear Energy Institute described the IRA as "the single most important piece of legislation for nuclear in decades."¹² Other companies are also availing themselves of the IRA to facilitate nuclear development. For instance, Georgia Power in its recent Integrated Resource Plan indicates that it is pursuing funding from DOE's Loan Guarantee Program to finance upgrades to its nuclear power plants.¹³

⁵ Climate Power, *The State of the Clean Energy Boom* at 3 (updated Jan. 14, 2025), <https://climatepower.us/clean-energy-boom-report/>.

⁶ *Id.* at 46.

⁷ 26 I.R.C. § 45X.

⁸ 26 I.R.C. § 45U.

⁹ 26 I.R.C. § 45Q.

¹⁰ 26 I.R.C. § 45V.

¹¹ 26 I.R.C. § 40B.

¹² Carpenter, M., *Ask an Expert: The Inflation Reduction Act and Big Legislative Support for Nuclear*, Nuclear Energy Institute (Feb. 2, 2023), <https://www.nei.org/news/2023/ask-an-expert-inflation-reduction-act-and-nuclear>.

¹³ Georgia Power, *2025 Integrated Resource Plan* at 65 (Jan. 2025), <https://www.georgiapower.com/content/dam/georgiapower/pdfs/company-pdfs/2025-Integrated-Resource-Plan.pdf>.

The IRA's benefits are not just limited to nuclear power. As Mr. Brigham McCown, who is also testifying at this hearing has explained, the CCS industry has "scaled in recent years, spurred on by new research and policy changes like the Inflation Reduction Act and the Infrastructure Investment and Jobs Act, and is fast reaching a critical mass. With more than 500 projects at various stages of development around the world, CCS will help to significantly reduce the rate of climate change while guaranteeing the security of supply."¹⁴

The IRA's technology-neutral tax credits also support the deployment of generation needed to power American industries. According to an analysis by the Rhodium Group, the technology-neutral tax credits, alone, are expected to add almost 310 gigawatts of generation to the grid by 2030, helping to serve growing demand for electricity.¹⁵ To that end, both the IJA and IRA have spurred significant investments in strengthening and modernizing the electric grid, including to protect the grid from the impacts of extreme weather,¹⁶ facilitate interregional transmission projects,¹⁷ and work with communities that are impacted by critical grid infrastructure.¹⁸

Consumers are also benefitting from the IRA. An analysis by the Office of Economic Policy shows that approximately 3.4 million American families in 2023 utilized tax credits to lower the cost of clean energy and energy efficiency upgrades.¹⁹ The energy efficiency rebate incentives championed by this Committee have also helped lower costs for American families. In

¹⁴ McCown, B., *Boycotting Climate Conference Ignores Delicate Balancing Act Required to Decarbonize*, Hudson Institute (Oct. 30, 2023), <https://www.hudson.org/energy/boycotting-climate-conference-ignores-delicate-balancing-act-required-decarbonize-brigham-mccown>.

¹⁵ King, B., et al., *Tech-Neutral Tax Credits: The Foundation of US Electric Power Decarbonization* at 5, Rhodium Group (May 23, 2023), <https://rhg.com/research/tech-neutral-tax-credits-electric-power/>.

¹⁶ Department of Energy, *Grid Resilience and Innovation Partnerships (GRIP) Program* (last visited Feb. 2, 2025), <https://www.energy.gov/gdo/grid-resilience-and-innovation-partnerships-grip-program>.

¹⁷ Department of Energy, *Transmission Facilitation Program* (last visited Feb. 2, 2025), <https://www.energy.gov/gdo/transmission-facilitation-program>.

¹⁸ Department of Energy, *Transmission Siting and Economic Development Grants Program* (last visited Feb. 2, 2025), <https://www.energy.gov/gdo/TSED>.

¹⁹ Department of Treasury, *U.S. Department of the Treasury Releases New Data on American Consumer Energy Savings Under Inflation Reduction Act* (Aug. 7, 2024), <https://home.treasury.gov/news/press-releases/jy2521#>.

addition to these energy efficiency programs, millions of Americans have benefitted from lower electricity costs as a result of the IRA.

II. Repealing Incentives, Imposing Tariffs, and Creating Regulatory Uncertainty Will Undermine American Energy Dominance.

The President and Congress are currently undertaking, or contemplating, several courses of action that appear to contradict the Administration’s goal of promoting American energy dominance by making it more difficult and expensive to serve growing electricity demand.

A. Repealing the IRA and IIJA, or Pausing Federal Funding, Will Harm American Competitiveness, Increase Costs, and Cost American Jobs.

Repealing the IRA and IIJA, or refusing to distribute appropriated funding, will deprive industry of critical incentives needed to meet growing load. A report by Aurora Energy Research found that eliminating IRA incentives could decrease investment by \$336 billion, cost 97,000 jobs, and increase household electricity bills by an average of 10%.²⁰ The then-interim CEO of American Electric Power explained last year that “[i]f the IRA is repealed, it would increase the cost of power and make it harder to serve increasing demand as large customers may look to other countries to serve their load at a cheaper price. Maintaining the IRA and the nuclear and technology neutral tax credits helps to keep America competitive.”²¹

Repealing the IRA and IIJA would also put American companies at a disadvantage relative to Chinese and other global competitors, which continue to invest in clean energy supply chains and development. Federal incentives are successfully luring new energy manufacturing facilities to the United States, making us less dependent on geopolitical adversaries. We should

²⁰ Aurora Energy Research, *Removal of Technology-Neutral Clean Energy Tax Credits Could Cost Upwards of \$336 Billion in Investment, Increase Electricity Bills 10% for Consumers* (Jan. 6, 2025), <https://auroraer.com/media/reform-to-clean-energy-tax-credits/>.

²¹ Fowke, B., *Statement of Ben Fowke Before the Senate Committee on Energy & Natural Resources* at 10 (May 21, 2024), <https://www.energy.senate.gov/services/files/7F2AC3C4-87CB-4562-99F8-5BB999FC6433>.

not repeal incentives that are successfully restoring American global manufacturing leadership and cede the playing field to China.

B. Tariffs Would Make it More Expensive to Build Energy Infrastructure in the United States and Would Raise Prices at the Pump.

Tariffs on Canada and Mexico would make it more expensive to build energy infrastructure in the United States and will increase the price of gasoline, diesel and jet fuel, particularly for consumers in the Midwest and New England.

American energy companies, like other industries, relied on the United States-Mexico-Canada Agreement to establish supply chains that bolstered manufacturing in North America while keeping costs low for consumers. By taxing imports of key components used in energy projects, tariffs would make it more expensive to build electric generation in the United States, at the exact time the President has declared an energy emergency. Tariffs therefore not only risk increasing costs for ratepayers but exacerbating resource adequacy concerns. As the American Petroleum Institute has explained, “America’s booming energy renaissance and economy are threatened by quotas and tariffs on imported steel that is vital for many American industries.”²²

Tariffs on Canadian oil imports would also increase the price at the pump. Refineries in the Midwest predominantly rely on imported Canadian oil, and do not have other significant sources of domestic supply, while other regions use products refined in Canada, such as gasoline, diesel, and heating oil. Consumers in the Midwest would unfortunately bear the brunt of tariffs on Canadian oil.

²² American Petroleum Institute, *The Truth About Tariffs* (last visited Feb. 2, 2025), <https://www.api.org/news-policy-and-issues/trade/the-truth-about-tariffs>.

C. Recent Executive Orders Are Undermining Business Certainty.

President Trump declared a national energy emergency on his first day in office and encouraged federal agencies to promote the development of domestic energy resources. Developing domestic energy resources is needed, and therefore a worthy goal. Unfortunately, recent actions are likely to impede, rather than promote, energy development.

In addition to proposing tariffs, which would make it more costly to build energy infrastructure, President Trump's federal funding pause is creating significant uncertainty for American businesses and may harm long-term American competitiveness. Some companies are already feeling the effects of the pause of federal funding. For example, Calumet, Inc. was set to receive its first tranche of previously-approved funding from the DOE's Loan Program Office for the construction and expansion of a renewable fuels facility, but has now been told it must wait until the loan guarantee has been reviewed by the new Administration.²³

America is the best place to do business in the world both because of American ingenuity and fortitude, but also because we have the rule of law and stand behind our promises. If American companies cannot be confident that the U.S. government will keep its funding commitments, companies will flee for alternative jurisdictions that provide a more stable and predictable business environment. Moreover, the funding pause establishes a terrible precedent, whereby companies may be unwilling to partner with the federal government, irrespective of who is in office, out of concern that any agreements may be vitiated by the next Administration.

President Trump's Executive Order²⁴ titled "Temporary Withdrawal of All Areas on the Outer Continental Shelf From Offshore Wind Leasing and Review of the Federal Government's

²³ Ojea, S., *Calumet Says \$1.44B Loan Delayed on Trump Administration Review* (Jan. 28, 2025), <https://www.marketwatch.com/amp/story/calumet-says-1-44b-loan-delayed-on-trump-administration-review-5538e44e>.

²⁴ The White House, *Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects* (Jan. 20, 2025),

Leasing and Permitting Practices for Wind Projects” is counterproductive and inconsistent with the Administration’s long-term strategic goal to make it easier to build energy projects in America. This executive order not only prohibits new offshore wind lease areas, but also pauses the issuance of permits, rights of way, and other licenses needed for both onshore and offshore wind projects. With electricity demand rising, it is critical that our country brings more generation online, and fast. Stymieing the development of onshore and offshore wind projects conflicts with an all of the above agenda and may undermine our country’s ability to meet growing demand.

In 2023, wind energy produced more than 10% of country’s electricity, and 20% or more of the electricity in Iowa, South Dakota, Texas, New Mexico, North Dakota, Kansas, Colorado, Minnesota, Wyoming, Maine, Nebraska and Oklahoma.²⁵ Pausing federal permitting threatens the long-term development of the industry, puts more than 500 wind energy manufacturing facilities located in the United States at risk, and again establishes a dangerous precedent for targeting disfavored industries. When the energy industry pleaded for permitting reform, this is not what it had in mind.

Moreover, this executive order will hurt American manufacturers and consumers. The offshore wind sector is projected to invest \$65 billion in projects by 2030, supporting 56,000 jobs.²⁶ In addition, more than 4,100 companies joined a registry to supply components and services to the offshore wind energy.²⁷ The President’s executive order may impede this job

<https://www.whitehouse.gov/presidential-actions/2025/01/temporary-withdrawal-of-all-areas-on-the-outer-continental-shelf-from-offshore-wind-leasing-and-review-of-the-federal-governments-leasing-and-permitting-practices-for-wind-projects/>.

²⁵ Department of Energy, *Land-Based Wind Market Report* at 9 (2024), https://emp.lbl.gov/sites/default/files/2024-08/Land-Based%20Wind%20Market%20Report_2024%20Edition.pdf.

²⁶ American Clean Power, *Offshore Wind Momentum Grows with Sector to Invest \$65 Billion and Create 56,000 U.S. Jobs by 2030* (Jul. 9, 2024), <https://cleanpower.org/news/offshore-wind-to-invest-65-billion-and-create-56000-jobs-by-2030/>.

²⁷ White House, *FACT SHEET: Bidenomics is Boosting Clean Energy Manufacturing for Offshore Wind and Creating Good-Paying American Union Jobs* (Jul. 20, 2023).

growth and planned manufacturing investments. Also concerning is that this executive order may unintentionally increase American energy costs. In fact, offshore wind development in the Atlantic and Gulf coasts is projected to decrease electricity bills by \$2.8 billion.²⁸

The Secretary of Interior’s issuance of Order No. 3415 also threatens solar development through its mandate that Department Bureaus and Offices suspend any issuance “any onshore or offshore renewable energy authorization, including but not limited to a lease, amendment to a lease, right of way, amendment to a right of way, contract, or any other agreement required to allow for renewable energy development.”²⁹ In 2023 alone, solar employment grew by 5.3%, adding over 18,000 jobs.³⁰ For the same reasons explained above, this pause will only hinder energy development and hurt American manufacturers and consumers.

III. Conclusion.

From an energy perspective, the United States is the envy of the world. The IRA and IIJA incentivize the domestic production of energy generation and components, our federal policies are generally conducive to new investment, and the rule of law provides predictability and stability. In the last few years alone, companies have invested hundreds of billions of dollars to build new manufacturing and power plants in the United States, while American oil and gas production has surged ahead of global rivals. We should not upend the very programs and regulatory certainty that enabled our success. Rather than increase the cost of building energy infrastructure by imposing tariffs and repealing tax incentives, Congress should use this opportunity to continue to invest in domestic energy production and supply chains, strengthen

²⁸ Shawhan D., et al., *Offshore Wind Power Examined: Effects, Benefits, and Costs of Offshore Wind Farms Along the US Atlantic and Gulf Coasts* at 23 (Oct. 2024), https://media.rff.org/documents/WP_24-17_gdMZ1rj.pdf.

²⁹ Secretary of the Interior, *Order No. 3415: Temporary Suspension of Delegated Authority* at 2 (Jan. 20, 2025), <https://assets.law360news.com/2286000/2286601/cruickshank-s-o-on-authority-suspension.pdf>.

³⁰ Department of Energy, *United States Energy & Employment Report 2024* at vii (updated Oct. 1, 2024), https://www.energy.gov/sites/default/files/2024-10/USEER%202024_COMPLETE_1002.pdf.

our electric grid, and ensure our agencies are sufficiently staffed and resourced to facilitate the timely permitting of needed infrastructure.

Mr. LATTA. Thank you, Mr. O'Connor.

And, Mr. McCown, you are recognized for 5 minutes for your opening statement.

STATEMENT OF BRIGHAM A. McCOWN

Mr. McCOWN. Thank you, Chairman Latta, Chairman Guthrie, Vice Chairman Weber, Ranking Member Pallone, Ranking Member Castor, distinguished members of the subcommittee. Thank you so much for the invitation to appear before you today.

I am Brigham McCown, a senior fellow at the Hudson Institute and director of the Initiative on American Energy Security. I am also a professor and an executive in residence at Miami University in Oxford, Ohio.

While I am here today in my personal capacity, I have been blessed to have had a portfolio career over the last four decades during which I have worked for Cabinet members of both political parties. I have served in the military, have run businesses, as well as my current work in the academic and nonprofit sectors.

Energy, as has been testified to today, is the glue that binds everything together. It powers our cities, our factories, our commercial buildings, our farms, and our homes.

Energy is the lifeblood of this Nation. It enables us to both reach for the stars and travel to see family and friends. Life is not sustainable without energy and lots of it.

At our core, energy is harnessed for the betterment of society, and throughout human history global energy demands have only risen. This is especially true of advanced countries where energy usage is in many ways a reflection of the wealth and strength of a Nation.

Key components of energy—like innovation, technology, reliability, affordability—are not static. This is especially true in our modern world, where our energy demands continue to grow quite quickly.

We are blessed to be an energy-abundant Nation and to draw on many sources of energy. Our energy mix is the envy of the world. It is an economic strength. It is a national security strength, one that can increase our safety and that of our allies.

Our national interest is best served through understanding the benefits of American energy.

Even with remarkable improvements in technology and efficiency, economic growth and future prosperity require more energy.

National security—that is, the United States' ability to project power globally to protect Americans and our allied interests—requires secure access to a diverse energy source and raw materials.

Market access to the quantities and types of energy—when and where they are needed—along with the security and resiliency of the energy system, requires thoughtful and sustained long-term capital investment.

At its core, energy security is simply the ability to ensure the uninterrupted access of reliable and affordable power, period.

These investments are required across the entire value chain—investments in producing the raw materials and in production, the infrastructure required for distribution, for storage, for research, for development.

The key to maximizing our energy advantage, as has already been stated, is to ensure a predictable and stable policy environment.

The same is true for our allies who depend on stable supplies of energy products. Without our LNG exports to Europe in the aftermath of Russia's invasion of Ukraine in 2022, Europe would have faced even more difficult circumstances than it already has endured—circumstances that were, up front, the result of poor policy decisions.

Similarly, allies like Japan require the importation of energy supplies, countries like Japan that simply lack the raw materials.

Energy abundance enhances economic security and our national security, while energy poverty weakens us, weakens our economic security, weakens our national security.

By working together, we can continue to unleash one of our inherent strengths. Some might refer to this as energy dominance. But regardless of the term, we have a unique opportunity to restore balance to our energy policies, to our energy mix, and to protect ourselves against geopolitical instability while supercharging the American economy.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. McCown follows:]

Written Testimony of
Brigham A. McCown

Senior Fellow and Director of the
Initiative on American Energy Security
Hudson Institute

Hearing on:
"Powering America's Future: Unleashing American Energy."

Before the
US House Committee on Energy and Commerce
Subcommittee on Energy

Wednesday, February 5, 2025, 10:15 a.m.
2123 Rayburn House Office Building

Summary Page

- A robust energy sector is crucial for maintaining national security, energy security, and economic stability.
- Next to raw materials and the cost of labor, energy is the third most expensive cost driver. The cost of energy can grow or restrain the economy and our security.
- Energy is a critical component of our economy and national security. We are blessed to possess abundant natural resources, a strength many countries simply do not have or have mismanaged.
- During periods of energy abundance, America has helped win multiple world wars, reduced risk from unstable and hostile energy providers, and insulated the country against geopolitical instability.
- Policymakers should reflect upon previous domestic and global missteps, such as the 1973 Arab Oil Embargo and the ongoing European Energy Crisis.
- Energy abundance enhances economic and national security, while energy poverty weakens the country by undermining our domestic and foreign policy.
- Energy is an essential tool of diplomacy. We can support allies while constraining adversaries, but only from a position of energy abundance.
- Energy security is the ability to ensure the uninterrupted availability of reliable and affordable energy.
- Throughout human history, global energy demand has only risen. This is especially true of advanced countries where energy usage is, in many ways, a reflection of the wealth of a nation.
- Technology and AI are driving energy demand. To some extent, this is a race against time, and the country should take a whole of government approach to increase baseload energy capacity. Poor energy policies make even energy rich countries poor.
- Our approach should convey a stable and predictable regulatory environment to the private sector to maximize investment potential.
- Energy policy represents an opportunity for bipartisan agreement to ensure our security and that of our allies while responsibly addressing pollution and holding China and others accountable.

I. Introduction

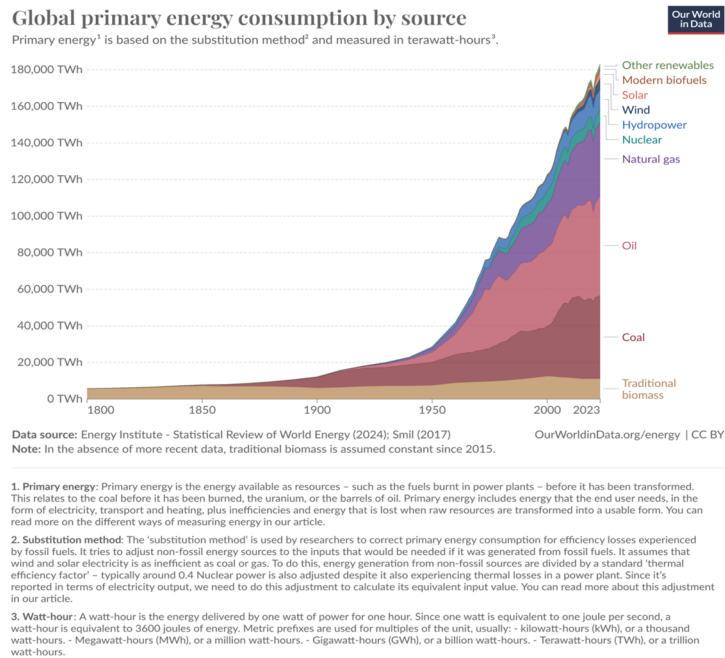
Chairman Latta, Vice Chairman Weber, Ranking Member Castor, and subcommittee members, thank you for the opportunity to appear before you and testify this morning. I am Brigham McCown, a Senior Fellow at Hudson Institute and Director of their Initiative on American Energy Security. I also serve as a Professor and an Executive in Residence at Miami University in Oxford, Ohio, where I teach and research issues relating to law, policy, and public and regional affairs.

My background includes nearly three decades of active and active reserve global service as a naval officer and Naval Aviator. I have also spent much of my career in the private sector and have led multiple companies. On the public sector side, I have held multiple senior appointments in the executive branch and have worked for cabinet secretaries from both parties. My educational background includes degrees and studies in law (Chase-KY), business (W&M-VA), energy (Stanford-CA), and diplomacy and foreign affairs (Miami-OH). The views I express here today are mine alone and do not represent the position of any entity.

Through the ages, scientists, theorists, and visionaries have sought to harness energy for the betterment of humankind. Clinically, energy is the capacity to do work, such as the ability to move an object (of a given mass) by the application of force. Today's hearing is extremely important for the United States. Energy is literally the lifeblood of the economy. At its core, energy is necessary to sustain life. It is the secret sauce that makes our way of life possible. It is the lifeblood of our economy as it powers our factories and cities. It enables us to reach for the stars and to visit friends and family. It also sustains our farming and makes farm-to-table possible. Life is not sustainable without energy.

II. Energy's Crucial Role

At its core, energy is harnessed for the betterment of society, and one universal truth is that throughout human history, the world has never used less energy. With each passing year, we require more energy to power our economies. Our national interest is served through understanding the benefits of unleashing American energy.



Reference:

¹ <https://ourworldindata.org/energy-production-consumption>

Energy transitions are constantly occurring. The truth is, however, that they occur over a much longer period than one might think. Our view of history is compressed, yet energy transitions take far longer. Attempts to demand an energy transition cannot be willed by policymakers. Physics beats policy every day of the week. There is nothing wrong with a diverse energy mix, and that mix will naturally change over time. Energy evolves, as we have experienced. Innovation, technology, reliability, and affordability are not static. For example, we have witnessed a significant reduction in coal usage as natural gas became more available due to advances in technology.

Even now, some are championing a rapid switch toward an energy mix that is less resilient and less reliable and whose fuel sources create less energy. By leveraging the best of the above, we can and should invest in energy sources that include renewables. Nevertheless, we must be clear-eyed about the benefits and costs of our energy mix.

III. National Security Implications

International events have brought into acute focus the intrinsic relationship between energy, economics, and national security. It has also highlighted the degree to which an American strategic asset—abundant energy resources—has been needlessly undermined by policy decisions that haphazardly sought to constrain this strength without considering the long-term implications of government picking winners and losers.

Even with remarkable improvements in technology and energy efficiency, economic growth and prosperity require energy. National Security, particularly the United States' ability to project power globally to protect American and allied interests, requires secure access to multiple energy sources and raw materials for our energy mix.

Market access to the quantities and types of energy, when and where needed, along with the security and resiliency of energy systems, requires thoughtful and sustained long-term capital investments in production, distribution infrastructure, storage, and research and development. The key to maximizing energy to our advantage is to ensure a predictable and stable policy environment.

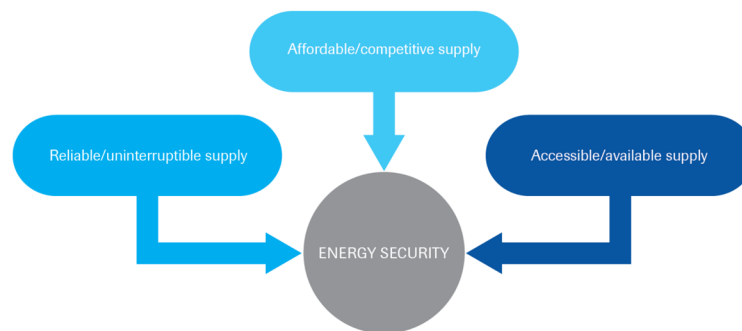
The same is true for our allies who depend on stable supplies of energy products. Without LNG exports to Europe in the aftermath of Russia's invasion of Ukraine in 2022, Europe would have faced even more difficult circumstances than it has already endured. Similarly, countries like Japan require oil and gas be purchased from external sources.

Energy abundance enhances economic and national security while energy poverty weakens the country by undermining our domestic and foreign policy. By working together, we can unleash one of our inherent strengths. We can reach energy independence and new levels of success as a nation. Some might refer to this as energy dominance, but regardless of the term, we have a unique opportunity to protect ourselves against geopolitical instability as discussed below.

IV. Energy Security

Energy Security is the ability to ensure the uninterrupted availability of reliable and affordable energy sources for consumption. It encompasses the stable supply of energy resources, the resilience of energy infrastructure, and the ability of a country to meet its current and future energy demands while also dealing with emergencies, natural disasters, and geopolitical tensions that could disrupt supplies.

The International Energy Agency (IEA)², distinguishes between short- and long-term dimensions of security of energy supply. Long-term energy security policy focuses on establishing A stable investment environment to support national goals. Short-term energy security focuses on the ability of the energy system to react promptly to sudden changes within the supply-demand balance. Both are critically important.



Reference³

A. Availability

Available energy means these natural resources are made available as supplies to heat our homes, run our factories, and power our transportation systems. Commonly referred to as our "energy mix," we utilize energy resources that can be produced. Within this context, America has

² The [International Energy Agency](https://www.energy.gov/ia/international-energy-agency-ia#:~:text=The%20IEA%20was%20established%20in,it%20continues%20to%20fulfill%20today.) is an international energy forum comprised of 29 industrialized countries under the Organization for Economic Development and Cooperation (OECD). The IEA was established in 1974, in the wake of the 1973-1974 oil crisis, to help its members respond to major oil supply disruptions, a role it continues to fulfill today. <https://www.energy.gov/ia/international-energy-agency-ia#:~:text=The%20IEA%20was%20established%20in,it%20continues%20to%20fulfill%20today.>

³ IEA, referenced <https://www.clingendael.org/pub/2017/monitor2017/energy/>

seen decades where it was able to meet its required energy demands, and decades where it became dependent upon overseas suppliers. For example, energy security means producing needed quantities of baseload electrical power for everyday needs while ensuring additional power can be generated on demand and dispatched to balance load requirements.

B. Reliability

Once energy is available, we must ensure that modern infrastructure can move energy whenever and wherever it is needed. While this seems straightforward, the resiliency and reliability of our energy infrastructure are crucial to this effort. Whether from a generation facility, refinery, the transmission grid, ships, or pipelines, the country requires a reliable and interruptible flow of energy delivered to wherever it is needed in quantities that are needed. We must ensure our infrastructure is resilient, redundant, and secure from natural events or man-made interference. This includes the need to protect our infrastructure from cybercriminals and State Actors.

C. Affordability

Finally, energy security depends on delivering affordable energy. Next to the cost of raw materials and labor, energy is the next largest cost of manufacturing goods and delivering services. Available energy is useless if the costs are so high that it disrupts the economy. Energy poverty exists when there is insufficient energy, or the available energy is too expensive to meet private, commercial, and industrial needs. Next to raw materials and the cost of labor, energy is the third most expensive cost driver, making energy the economy's lifeblood.

V. Recommendations

There exists a golden opportunity to forge bi-partisan agreement on this topic. As energy demand rises, we are reminded that we are in a great power competition with China. Energy enables our quality of life and powers the instruments of commerce. Energy abundance helps

support figurative rivers of commerce. Whether bringing goods to market, enabling services, or food to our table, energy powers it all.

To that end, we should be outcome-driven and immediately unleash energy development by being agnostic to the means and confident in the outcome. America requires more energy, and we are unlikely to meet projected demand without a significant realignment of priorities. Data centers and advances in Artificial Intelligence (AI) will drive energy demand well into the next decade, and we must meet this challenge head-on. If we seek cleaner fuel, then look to the significant greenhouse gas reductions made possible by natural gas, a critical bridge fuel for the energy transition.

In years past, natural gas has been used mainly for combustion. Today, innovators are capable of "cracking" natural gas to create hydrogen in a way that delivers cleaner power while producing valuable co-products that can be used directly to build and enhance infrastructure like roads, bridges, and critical manufacturing components. Through distributed methane pyrolysis, in particular, natural gas can be converted into clean hydrogen and solid carbon, resulting in no CO₂ emissions, no new infrastructure buildouts like burdening the electrical grid or requiring specialized pipelines, and no new investments in costly storage and transportation solutions, all while delivering both maximum clean power and building material to strengthen our infrastructure and economy.

We should also embrace nuclear energy and advanced reactor designs, including Small Modular Reactors (SMRs) and micro-reactors. By concentrating on standard designs, we can replicate and build nuclear facilities safely and faster than in previous years.

One needs only look to Europe, where politically motivated policies have decimated the continent, which was once a powerful economic engine. Germany, in particular, has lost its way

while not meeting its own self-imposed carbon emission reductions.

By focusing on the core tenets of energy security, we can be good stewards of the environment and our citizens and allies. This includes ensuring that we utilize public lands to their best use while simultaneously ensuring stewardship that will last for generations.

Second, meaningful investment in needed Infrastructure requires a stable policy environment. America's Achilles heel is self-imposed. Ensure federal regulations are performance-based and technology-agnostic. Real permitting reform is required to deploy much-needed infrastructure rapidly. NEPA is not a bedrock environmental law; it is a procedural law whose yoke has become harder to bear than was ever intended and inhibits all infrastructure priorities.

Third, energy abundance raises people and creates strength for all. A rising tide lifts all boats. It helps us to grow the economic pie and protects against external threats. Energy scarcity, or energy poverty, has the opposite effect. It also slows or even reduces our economic output, fails to protect us economically, and weakens our security. Western Europe, particularly Germany, is a cautionary tale of what goes wrong when intellectuals believe that policies can bend molecules. Energy is the lifeblood of our economy.

Mr. LATTA. Well, thank you very much.

And that concludes our opening statements from our witnesses.

And, again, we appreciate you all for being here today.

And the Chair recognizes himself for 5 minutes for questions.

And, you know, one of the things I have heard from all of our witnesses today is that we have to have more energy, not less. And PJM, which you all know is one of our RTOs—and one of their latest reports that came out in January just talks about what they are looking at and their needs and their projections.

And they are talking about, in the summer peak, that they are going to save from—we are going to go from about 70,000 megawatts to 220,000 megawatts, in just the summers, in less than 15 years.

And the things that they talk about then are how we are going to get there and what the problems are, is that our demand is growing faster, at a faster pace than ever before. And it is what we have all heard—the proliferation of our data centers, the electrification of buildings and vehicles and manufacturing.

And another area is the problem is that new replacement resources with the needed reliability for the attributes aren't being built fast enough to get us there.

And one of the things, if I can start, Mr. McCown, with you, you mentioned—and, again, what we heard from all our witnesses—the need for more energy and that requirement for more energy, especially when we look at our data centers that are growing across our country.

And you talk about SMRs. How do you see the SMRs, and how can that really help with this exponential growth that we are having out there and the need for power?

Mr. MCCOWN. Yes, thank you for the question, Mr. Chairman.

I would like to recognize the ADVANCE Act, which you all passed, was an important first step toward renewing our nuclear power.

The SMRs are a modular plug-and-play. They may not be quite as small as some people think. But the idea is to duplicate, to replicate a particular power plant that has already been licensed again, again, and again.

One of the things that we have suffered throughout with the nuclear industry is that no two reactors are designed the same. It takes a long time to permit them. The streamlining of licensing, the modernization of regulations can really help move us forward.

And with the SMRs, they are capable of being plugged in line in tandem to grow or to scale as our energy demands scale. I think they are an important component of our energy mix and something that for far too long we have been reluctant to deploy nuclear energy. It is something that hopefully reform at the NRC will help with.

Mr. LATTA. Well, thank you very much.

Ms. Eversole, the testimony today underscores the policies that we have to have to incentivize American energy expansion, and the best way to incentivize that expansion is to unlock private capital spending.

Will you speak about the role that long-term regulatory certainty and predictability have on the investment decisions to produce and deliver more energy?

Ms. EVERSOLE. Absolutely, Mr. Chairman. Thank you for the question.

The way that markets think about investment over long-term capital horizons is really important. And I think for our industry, which is incredibly capital intensive, and we invest over decades—10, 20, 30 years in some cases—and so we need to move beyond the 2-, 4-, or 6-year political cycles, and we need to tell markets that we are all in together on a bipartisan basis in investing in America's long-term energy security.

And I think what I would add there is that it is extraordinarily important, not just to signal for the markets but to producers, that we are willing to make it here in America because not only does it help us from an economic perspective, it also helps us from a geopolitical perspective.

Mr. LATTA. Well, thank you.

Mr. Arnold, we have to change our thinking and confront the reality of the new energy demand, especially when we are talking, once again, about AI to reshoring our manufacturing.

From your testimony, American workers support unleashing our energy, and we are going to need more fuels, more grid capacity, more pipeline capacity.

What is your view on unlocking more investment capital through regulatory certainty and predictability, in my last 50 seconds?

Mr. ARNOLD. Thank you for the question.

It is really critically important to building that workforce and maintaining that workforce. Those projects are planned.

What our contractors are going to do is try to make sure that they have the capacity to go and execute properly, we have the right amount of workers out there to accomplish successfully building those projects.

When there are delays, when there is uncertainty, or those projects don't be realized, it is really compounded even more because now that contractor has a massive open part of their schedule that they anticipated performing on work, having work to do. And that can lead to layoffs and different things that negatively affect our workers and our members.

And so that certainty is really critical to their success and the success of the apprenticeship program training those new workers as well.

Mr. LATTA. Well, thank you very much.

And I yield back the balance of my time.

The Chair now recognizes the ranking member of the subcommittee for 5 minutes for questions.

Ms. CASTOR. Well, thank you, Mr. Chairman.

And thanks again to our witnesses for being here today.

And, Mr. O'Connor, thank you for all of your work on the Energy and Commerce Committee. You were instrumental in helping us craft a lot of the portions on modernizing the grid and transmission. We have a lot of work to do there.

But one of the overriding aims of the infrastructure law and our historic clean energy and climate law, the Inflation Reduction Act,

was to put money into the pockets of hard-working families and small business owners and do that in a host of different ways, by providing funds to help weatherize their homes—gosh, that is very important in my neck of the woods where our summers are longer and hotter, and if we can weatherize homes, they can save on their electric bills—or tax credits for appliances, or rebates.

Right now thousands of homeowners are rebuilding from the hurricanes, and they are going to be able to save money, thankfully, when they have to go out and buy that new heat pump or some other appliance.

In fact, independent researchers at Resources for the Future conducted modeling on just the IRA, and that says that over the next decade hard-working families will save significant dollars.

I mean, these numbers are thrown around, and they shouldn't go over our heads, 209 to 278 billion dollars over the next decades. So that is hundreds of dollars into the pocketbooks of families who could really use it right now.

So, Mr. O'Connor, there is a discussion underway of repealing the IRA, whether it is through reconciliation or kind of the illegal wrench that the administration has thrown into projects going on from Department of Energy loans and grants.

What will happen to energy prices if the IRA is repealed or this illegal stop work order is successful?

Mr. O'CONNOR. Yes, thank you for the question.

Ms. CASTOR. Microphone.

Mr. LATTA. Oh, is your mike on?

Mr. O'CONNOR. And you just mentioned I had worked here before.

Thank you for the question.

According to recent research from Aurora Energy Research, repealing the IRA and continuing to withhold funding would increase electricity prices by an average of 10 percent across the country, with some States, notably Texas, seeing much steeper increases in electricity prices.

And that is a function of a few things.

One, as you noted, the IRA induces a significant amount of new investment into generation.

Bringing new projects onto the grid is going to lower electricity prices and make sure we can address the growing load that Chairman Latta referenced, particularly from data centers and AI.

If we don't bring those new projects onto the grid, then we are going to have to do more with less, and we are simply incapable of doing so.

And so people are going to end up paying more for electricity, contract prices will go up as data centers try and outbid each other for new generation, and ultimately consumers are going to bear the cost.

Ms. CASTOR. So 4 years ago, prior to this manufacturing boom, America was highly dependent upon Asia to manufacture key building blocks of the clean energy economy, and there were tariffs by Democratic Presidents and Republican Presidents, but they really failed to ignite domestic industries like solar.

But today, thanks to the Inflation Reduction Act, the U.S. is producing record amounts of solar panels and batteries, and we are quickly on our way to meeting domestic demand.

So, Mr. O'Connor, does the clean energy economy make us—does this transition, this manufacturing boom, does it make—what does it do to our dependence on China? And what would it do if Republicans are successful in rolling back these investments in our domestic manufacturers?

Mr. O'CONNOR. Yes. Thank you for the question.

It makes us less dependent on China. And if we were to repeal the IRA, it would make us more dependent.

And I can share this from personal experience representing companies who have availed themselves of the section 45X advanced manufacturing production tax credit to open new domestic manufacturing in many of the States represented by Members here.

And also the section 30D credit, which includes incentives both to make sure that batteries and EVs are manufactured in North America and that the critical minerals included in those batteries are manufactured in North America or countries with which we have a free trade agreement.

And I will tell you that there are a number of companies in the runup to the election who were thinking about making domestic critical mineral investments in either production capacity or processing capacity in the United States in response to the IRA's incentives but did not know whether they should make those investments, because, if the IRA is repealed, there is no economic incentive for them to do so. They will just keep it in China or—not just China—other countries that they are currently located in.

Ms. CASTOR. Thank you very much for your important testimony. I yield back.

Mr. LATTA. The gentlelady yields back.

The Chair now recognizes the chair of the full committee, the gentleman from Kentucky, for 5 minutes for questions.

Mr. GUTHRIE. Thank you. Thank you for the recognition. I appreciate it.

This morning I was talking to a group, and somebody introduced me, said about the Energy and Commerce Committee, and quoted Mr. Dingell, Chairman Dingell, someone that I had the joy to serve a couple years with. And he says "If it moves, it is energy. If it is still, it is commerce." That is our jurisdiction.

And I can't improve on Chairman Dingell except I would like to say that it takes energy to move commerce. And that is going to be the theme of our committee over this next couple of years, is that how do we do it in a responsible way.

I went to school on the Hudson River. Other than the Commonwealth of Kentucky, show me a more beautiful spot than around West Point, Bear Mountain, that area. And you couldn't get in the water because of industrial pollution.

So progress has to be responsible. And so how are we responsible?

And so, Mr. McCown, you said that throughout human history the world has never used less energy, and throughout human history energy has gotten cheaper.

There was a study a few years ago that measured the standard of living by the cost of light, how much it cost light in the 1800s versus what it is now. Essentially it is not free, but people feel like it is essentially free.

My great grandmother used to spend an hour before everybody else got up just to get the stove hot.

So the standard of living of energy is important. And so if we look at Europe—and we had Eric Schmidt from Google, not Senator Eric Schmitt, talked about a book he wrote with Henry Kissinger called “Genesis” and had a lecture or a meeting at the Library of Congress. And he said that Europe has chosen not to grow, is what he said.

So if you look at just the example of Europe—so for me to say energy transition, if you replace fossil fuels—I am for all of the above—but if your goal is to replace fossil fuels with wind and solar, what are the national security implications of that in Europe today?

Mr. McCOWN. Yes, Mr. Chairman, thank you for that question.

Well, I mean, I think we have seen devastating effects in Europe, the deindustrialization of Germany in particular. And, frankly, the retirement of nuclear plants and the removal of cheap Russian fossil fuels has been devastating.

I would like to point out too that their carbon emissions, if you are keeping score, have gone up, not down, despite all these investments. It is not the way to do things.

It is critical that we do all of the above, and that includes renewable power. Just like a carpenter has more than one tool in their tool belt—you can’t use a hammer on everything, I have tried, it doesn’t work—but you have to have other tools in your tool belt.

So this energy mix is going to change over time, but we have to lead with what is reliable, efficient, and affordable, because otherwise we could bankrupt ourselves and be in a position like Europe where they have none of the above.

Mr. GUTHRIE. Thanks.

I want to make sure. So, Ms. Eversole, would you comment on the lessons learned we can have for how quickly Europe has tried to transition to renewables and the negative impact—

Ms. EVERSOLE. Absolutely.

Mr. GUTHRIE [continuing]. In terms of economic growth?

Ms. EVERSOLE. Yes, Mr. Chairman, thank you for your question.

Look, 85 percent of the gas that came from Russia was replaced by gas from the United States of America. That is good for American workers, and it is good for America’s national security.

It is also good for Europe. I think what Europe learned was that they were overlevered. A diversified portfolio is really important.

API supports an all-of-the-above strategy. But I think we get caught up in the arguments that are more about picking winners and losers in various forms of energy, and it simply doesn’t have to be that way.

This is about energy addition. Our demand, not just here in the United States but around the world, is growing. That energy has to come from somewhere, and I would rather it come from the United States of America, Mr. Chairman.

Mr. GUTHRIE. Thanks.

But also during that time we were replacing a lot of the LNG gas, we also had the export ban that came. I know there are European leaders that said that could be devastating to them if we did that, if we continue that.

Ms. EVERSOLE. Yes, we very much appreciate the Executive order on the first day of this administration repealing the so-called LNG ban because that doesn't make any sense. I think that there are questions around can the United States continue to meet the demand in the world, and the answer is, yes, we can do it, because we can be more efficient. We can do it when we have—

Mr. GUTHRIE. I want to get one more question in.

So, Mr. Arnold, we talk about AI and growth and the economy and cheaper energy and everything, but there are people creating the infrastructure for the energy.

Would you just talk about the benefits in energy communities, or your community, for energy jobs? It is not just people working in an AI data center, it is people building the infrastructure to get the energy to the data center. You want to talk about that a little bit?

Mr. ARNOLD. Thank you for the question.

Absolutely. So we need energy to power the rest of the manufacturing facilities. I have worked in biopharmaceutical manufacturing, breweries, which I think obviously is pretty important to some Americans too. But it all starts with that energy.

And then it continues to provide work opportunities for those professionals. Our job is to build stuff, build it well, and then we look for the next project to build for folks.

Mr. GUTHRIE. Thank you. My time has expired, and I will yield back.

Mr. LATTA. Thank you very much. The gentleman's time has expired, and he yields back.

And the Chair now recognizes the gentleman from New Jersey, the ranking member of the full committee, for 5 minutes for questions.

Mr. PALLONE. Thank you, Mr. Chairman.

Mr. O'Connor, it is great to have you back here at the committee after your time on the staff during the 117th Congress. I want to pick up on something you said in your written testimony, which is that the Trump administration's actions are counter to its stated goals.

And, Mr. O'Connor, you already established for Ranking Member Castor that illegally withholding or repealing funds from the Inflation Reduction Act and the Bipartisan Infrastructure Law would increase American utility bills.

But let me ask you: Would illegally withholding or repealing them make us more energy dominant or help in the case of an energy emergency, such as the President articulated?

Mr. O'CONNOR. No, it would not. And I think Ms. Eversole said it best when she noted that energy projects are capital intensive and that we need to move beyond political cycles because it undermines investment certainty.

And that is exactly what we are seeing with this Federal funding pause right now. In the past 2 weeks, we have received—in my capacity as a lawyer, I have received numerous calls from energy companies, name-brand global manufacturers, who don't know how

to respond to this Federal funding pause, both people who want to develop projects but also the suppliers of those projects, because they don't know if the projects that they were supposed to be supplying are going to be receiving funding and moving forward.

We already know that some of the—I think there was a sustainable aviation fuel facility in Montana who was supposed to receive funding from the loan program's office. SAF is a place where airline companies are looking to make significant investments in the future. And they noted publicly that their funding was paused, I think \$769 million.

So I don't think it makes us more secure or independent, and it certainly doesn't make us more dominant. It makes us look silly.

Mr. PALLONE. Well, thank you.

Would tariffs on the—I mean, you know, let's talk about the tariffs that were almost implemented earlier this week and then paused. But would tariffs on Canadian and Mexican energy increase or decrease cost to American families? And would they make us more energy secure?

Mr. O'CONNOR. Yes. They would increase cost in several respects, and because of the broad nature of the tariffs, you can identify costs that would rise across a number of industries. I want to point to just a few. One, of course, is Canadian oil, which the Midwest is predominantly relying on. I think I have seen studies that would increase gas prices by 3 to 4 percent.

And another place I mentioned in my oral statement, the shortage of critical electric grid components, we need those components to interconnect projects to the grid.

In my day job, I primarily represent developers who are trying to get projects interconnected, and the shortage of components is a serious problem. It just so happens that a large number of those components are imported from Canada and Mexico.

So, if we were to stack tariffs on top of an already existing shortage, that would exacerbate, I think, the concerns that people have about the inability to bring new generation online.

Mr. PALLONE. Well, thank you.

Let me turn to the definition of energy and the President's order declaring an energy emergency.

Define energy as crude oil and then list a number of other hydrocarbons, followed by uranium, biofuels, geothermal heat, the kinetic movement of flowing water, and critical minerals. Something is missing here. What is missing?

Mr. O'CONNOR. I think several things are missing: solar, wind, storage, transmission distribution lines, maybe the entire electricity industry might actually be missing.

Mr. PALLONE. I mean, it is unfortunate because, you know, I have not only heard my colleagues on the Republican side of this committee but also the President say that he believed in an all-of-the-above energy strategy, but, obviously, he has abandoned that.

And let me just say—I have one last question. My understanding is that roughly 95 percent of all power plants waiting in the interconnection queue are some combination of wind, solar, and battery storage. Can you talk about the impact on electricity prices and reliability if support for these resources, such as the tax credits from the Inflation Reduction Act, were to disappear?

Mr. O'CONNOR. Yes, that is a great question, and I think it harkens back to Chairman Latta's question about load growth and PJM and the role of SMRs, right. SMRs are a fantastic, forthcoming technology—we hope—and I would love to see them deployed. But, in the short term, to meet load growth, we need to meet it with renewables.

Renewables come onto the grid. I mean, also other resources. But, as you noted, 95 percent of the interconnection queue are solar, wind, and battery storage, and that is because those resources only take about 2 years to bring online, as opposed to natural gas-fired power plants, which can take 4 to 5 years, and then nuclear projects, which can take 10 or more.

And so I think we are not going to be able to meet load growth, and we are going to see rising prices if we cut the legs out from under the industry that is currently poised to bring projects, most of the projects online in the coming 2 years.

Mr. PALLONE. All right. Well, thank you so much.

Thank you, Mr. Chairman.

Mr. LATTA. Thank you very much. The gentleman yields back the balance of his time.

The Chair now recognizes the vice chair of the subcommittee, the gentleman from Texas' 14th District, for 5 minutes of questions.

Mr. WEBER. Thank you, Mr. Chairman.

The title of this hearing is actually perfect for what is going on in Texas right now. Just yesterday, Texas A&M University announced an energy proving ground to build four small modular reactors on their RELIS campus. I would especially like to congratulate Natural Resources for being one of the chosen SMR companies.

They are also building a research reactor on the Abilene Christian University campus and will be deploying their small modular liquid-fueled salt reactors for commercial use shortly thereafter.

Thank you, Mr. Chairman. I just wanted to brag on my home State for a minute, as we are and will be powering America's future. And so I appreciate that.

Ms. Eversole, I am going to come to you. My district along the Texas Gulf Coast, District 14, is no stranger to LNG. We benefit from the thousands of direct jobs and billions of dollars poured back into the community. The world benefits from our clean, reliable, and affordable LNG shipped right to their doorstep.

The Biden admin LNG export ban had severe consequences in my district that impacted real people, not just companies—real people, real families, and their lives. President Trump has taken decisive action on day one to reverse this ban, and southeast Texas applauds him for that.

So, as we work to unleash American energy, this impact will be felt worldwide. What world do you see going forward for LNG—and it has got to include Texas now, you know that—do you see going forward domestically with jobs and revenue for our communities, as well as for our allies abroad who depend on it for their own energy security?

I yield to you.

Ms. EVERSOLE. Thank you very much for your question, Mr. Vice Chairman.

The role that U.S. LNG plays not only in our country that helps drives down emissions to a once-in-a-generation low, but also this is geopolitical strength, not to mention the fact that, just last year alone, \$14.4 billion came back to the United States because of exports.

And the fact of the matter is it helps us produce the affordable, reliable, and cleaner energy that we need—not for just the people in Texas, good-paying jobs like Mr. Arnold here, but it also ensures that we are safe and secure. We can do it all, and we look forward to continuing to work together, but we need to have ongoing investment to do just that.

Mr. WEBER. If I could paraphrase, it is not just energy security, it is national and, indeed, international security. Would you agree?

Ms. EVERSOLE. I agree completely.

Mr. WEBER. Absolutely.

Ms. Eversole, I am going to come back to you in a minute.

Mr. McCown, I've got one for you. As you both well know—I will come back to you in just a minute.

Coal and natural gas make up the backbone of our energy generational mix. You both also know that the Biden administration aggressively went after both of these resources, weaponizing his agencies to literally take them off the grid.

We will start with you, Mr. McCown. Can you speak to the importance of these resources and what role they will play as we look to add significantly more generation capacity to our grid?

Mr. MCCOWN. Absolutely. Thank you for the question, Chairman Weber.

First of all, natural gas is an important bridge fuel. It is an important fuel to pair whether you want instantaneous power for baseload energy. It is very efficient. We have reduced our greenhouse gas emissions more than any other country in the world just—

Mr. WEBER. Let me break in real quick. And I am sure once we kill our energy system, I am sure the other companies will kill theirs too. Keep going.

Mr. MCCOWN. Yes, sir. And it is extremely important, and it pairs well with renewables, which are still intermittent.

It is also cheaper. And I do take some exception to renewables are keeping energy prices low. That is simply not the case. Energy prices have gone up substantially with deployment of renewable sources because, without all these tax treatments, they are actually quite expensive, and wholesale prices have actually gone up, not down.

Last quick point is we have retired a lot of baseload because of the policies of the previous administration, thus creating a shortage of available baseload power, thus necessitating quick dispatchable power like renewables, which is actually more expensive.

Mr. WEBER. I am going to stop you just a second, and I am going to agree with you that, if we are going to have all of these exciting computer places, AI, and all this energy, we had better have dispatchable power.

Back to you, ma'am.

Ms. EVERSOLE. Look, the energy has to come from somewhere, and I would rather it come from the United States of America.

Mr. WEBER. I couldn't have said it better myself.

Mr. Chairman, I yield back all 13 seconds.

Mr. LATTA. The chairman yields back his 13 seconds.

And the chairman now recognizes the gentleman from California's 50th District for 5 minutes of questions.

Mr. PETERS. Thank you, Mr. Chairman.

Last year the United States produced more oil and gas than any other country in history and exported record amounts of liquefied natural gas to our allies around the world under the Biden administration. So it is pretty unleashed.

Simultaneously, 2023 was a record year for clean energy with combined utility-scaled solar, wind, and energy store installations across the country. These clean energy projects can be found in keeping the lights on in nearly all congressional districts in all 50 States.

I hope this hearing signals that this committee is going to finally get serious about the energy, grid, and reliability issues facing this country because America is energy dominant, but we are going to need to do more. These hearings, I think, will be most productive if we can focus on genuine fact-finding to address the critical challenge of meeting our growing energy demand.

We should be looking forward, identifying the infrastructure, policies, and investments that we need to ensure resilient, reliable, and affordable energy supply. And the question before us isn't whether demand is rising. It certainly is. The real challenge is how we prepare for it in a way that strengthens our economy, enhances our competitiveness, and keeps the lights on for all Americans.

So it is a little frustrating when my colleagues talk about increasing American energy dominance without committing to invest in the infrastructure that carries that energy transmission. I have been outspoken about permanent reform that would help us make everything we build go faster, including generation and new transmission, make it faster and more efficient. I am open to that. I think it is important. You have my commitment to work with you on that for all energy sources.

We are facing extraordinary energy growth in demand from AI data centers, the reshoring of domestic manufacturing, much of it incentivized by the Inflation Reduction Act. And as was mentioned before, the North American Reliability Corporation, NERC, which is the energy reliability—the entity responsible for energy grid reliability has warned that, without action, low growth, extreme weather, and other threats could destabilize the grid.

NERC said a reliable grid will require significant planning and development of the interconnected transmission system. And, as also mentioned before, NERC released a study showing that an additional 35 gigawatts of transmission transport capability between regions would undoubtedly strengthen our ability to meet demand, maintain reliability, and improve our resilience to extreme weather. Thirty-five gigawatts.

Since 2014, roughly the last decade, North America has built just 7 gigawatts of interregional transmission power compared to 44 in

European and 260 in China. We are not going to be able to compete at that level of growth and development.

New natural gas generation will connect to the grid. Data centers will connect to the grid. New manufacturing will connect to the grid. Oil and gas producers also continue to electrify their operations in the Permian Basin but are concerned that the grid can't handle more activity.

If we are serious about keeping track with global competitors, securing our grid, and achieving true energy dominance, we have to have an honest conversation about what all-of-the-above really means.

Ms. Eversole, do agree that, to unleash American energy, we need to invest and expand the transmission grid while adding new generation and reforming the permitting process?

Ms. EVERSOLE. Congressman, thank you for your question, and thank you for your leadership on these important issues. We very much appreciate the thoughtful way in which you approach them.

And I would just say, as part of API's five-point policy roadmap, permitting reform is one of those five key tenets.

Mr. PETERS. How about transmission?

Ms. EVERSOLE. We do agree that transmission should be part of that solution going forward.

Mr. PETERS. Well, that API is on board, that is great.

Mr. O'Connor, can you talk about what laws Congress needs to change to make it easier to build and coordinate the construction of large interregional power lines? And, if we don't build out those lines, will our grid be more or less resilient and why?

Mr. O'CONNOR. A few thoughts come to mind. One would be making it easier to permit interregional projects in particular by clarifying Federal citing authority.

Two, I think Congress should continue to fund the Department of Energy's transmission facilitation program, which is a critical tool for a number of interregional projects. It basically helps them get off the ground.

Three, as you noted, I noted, and now I am going to note again, the North American Electric Reliability Corporation recently identified the need for 35 gigawatts of interregional transmission capability because of a report, I believe, this committee directed them to undertake.

And so I think the natural next step in response to that report would be for Congress to ideally pass a law or direct NERC to establish minimum transfer capabilities.

Mr. PETERS. I think it is all a great idea. I would say we are not going to be able to meet our low growth without transmission. We have to get serious about talking about that in this committee, and I am on board with helping to make it happen.

And, if we don't do it and we have brownouts and higher prices because we don't do it, all of us are going to have to answer for that. So I am intending to work on it and look forward to a good term.

Thank you. I yield back.

Mr. LATTA. The gentleman yields back.

And the Chair now recognizes the gentleman from Alabama's Sixth District for 5 minutes of questions.

Mr. PALMER. Thank you, Mr. Chairman, and thanks to the witnesses for being here.

When it comes to energy policy, I do believe in an all-of-the-above approach, but when you compare nuclear energy to renewable, the difference in energy density is very clear. A nuclear facility offers 24/7 baseload energy, consistent baseload energy that will operate for 60 years, at least, maybe longer.

Mr. McCOWN, I was pleased to see that you mentioned small modular nuclear in your written testimony. Based on your expertise, what reforms do you think we need to pursue through Congress to unleash nuclear energy and remove the barriers to construct more nuclear power in the United States, particularly the small modular reactors?

Because we are falling behind. China has already got one operating, and even Romania is doing some really good work in that area.

Mr. McCOWN. Yes, sir. Thank you so much for your question.

Yes, we—part of this is a public policy issue. Part of this is outreach and education. For the first time in a generation, we have a large percentage of people across all age groups seeing nuclear energy as a positive. We have to move beyond our thoughts of what nuclear power are because the designs are not what they were in the '70s. And we have got an NRC that has spent most of its time as an agency not permitting anything.

Mr. PALMER. Well, an interesting thing, too, is the advance in technology with these advance reactors. You can recycle spent fuel rods. We had a hearing and had the National Director of the Nuclear Laboratories here, and a lot of people don't realize this, but a spent fuel rod literally retains 90 percent of its energy capacity. We can recover 98 percent. And I asked the Director of the National Nuclear Laboratory how long we could operate our fleet, and he said over 100 years just using spent fuel.

The other thing that I want to talk about here just for a moment is we talk a lot about energy independence, but I think we are at a major place in terms of critical minerals and rare earth independence. Right now there is not a single major refinery for rare elements in the Western Hemisphere. There are only nine in the world. Eight of them are in China, and I am talking about major refineries.

China controls 70 percent of the cobalt mining and 80 percent of the processing. They control over 90 percent of the rare earth refinery.

I am a big proponent of near-shoring our supply chain, but, also, I think we need to do a whole lot more here in terms of our domestic production, the mining, the production side of it, the refining side of it.

What are some of the barriers that we are facing here, Mr. McCOWN—and the others of you can respond to this as well if you would like—in terms of permitting, a timeline? Because I don't think we have got 7 to 8 years to get a permit in regards to where China is heading, particularly if we want to be competitive in artificial intelligence.

Mr. McCOWN. Sure. Thank you, Mr. Palmer.

Very quickly, you know, and Mr. Peters is exactly correct. We have a difficult time building anything these days. The infrastructure. We need NEPA, true, NEPA permitting reform. We have to be more nimble. We have to be more quick than we have done. We have difficulty mining uranium. Seventy-plus percent to 80 percent of the entire supply chain for renewables is from China. That is worse than Middle Eastern oil, in my personal opinion.

Mr. PALMER. It is truly, and I want to emphasize this, and I want to emphasize this to my colleagues across the aisle. This is a national security issue. We will not compete with China. We are at an arms race in artificial intelligence with China, and we don't have the mineral production, the mining, the processing, the refining to be competitive. We will fall behind. They have already cut us off from gallium, germanium, antimony. We are really in a bad place.

So I think, Mr. Chairman, we need to really make it a priority of this committee to work on these issues because, like I said, we don't have 7, 8, or 9, 10 years to do this.

And, going back to AI, with China's release of their DeepSeek AI model, it is a bit of a shockwave. But, for us to compete, we not only have to address these issues of critical minerals and rare earths, but we have got to address the issue of being able to provide the energy that we need. And we were not going to do it with renewables, with all due respect.

So I think we have really got to have a focus on how do we utilize hydrocarbon energy as we advance our energy production through nuclear.

And, with that, any of you, Ms. Eversole, Mr. Arnold, you may respond.

Mr. LATTA. If I may, the gentleman's time has expired, but if you could write a written response to that, we would appreciate that. Thank you.

Mr. PALMER. I yield back.

Mr. LATTA. Thank you. The gentleman yields back.

And the Chair now recognizes the gentlelady from Colorado's First District for 5 minutes of questions.

Ms. DEGETTE. Thank you so much, Mr. Chairman.

Well, Mr. Palmer, good news. In the last Congress, we passed the ADVANCE Act, which then-Chairman Duncan and I did together, which restructured the way we regulate nuclear energy in the hopes of getting some of these energy resources.

And I am assuming, Mr. O'Connor, that you would think that would be a positive step towards getting more nuclear.

Mr. O'CONNOR. Yes.

Ms. DEGETTE. OK. Thank you.

Now, continuing with you, Mr. O'Connor, I wanted to ask you about President Trump's claim that the United States is in a, quote, "energy emergency." In fact, the United States is the top producer of crude oil and natural gas in the world. Is that correct?

Mr. O'CONNOR. That is correct.

Ms. DEGETTE. And, in fact, investments in clean energy, like in the Inflation Reduction Act and Bipartisan Infrastructure Law, mean that the United States would—do those investments mean that we would no longer produce oil?

Mr. O'CONNOR. No, they don't.

Ms. DEGETTE. And, in fact, after we began making those investments, we still had a huge increase in the production of oil, didn't we?

Mr. O'CONNOR. Yes, that is right.

Ms. DEGETTE. OK.

Now, Mr. Arnold, I really want to again thank you for coming. It is good to see my homie here. I wanted to ask you, in your testimony, you talked about the benefits of the IRA. Can you talk for a minute about the IIJA and IRA's investment in technology, like advanced nuclear geothermal, hydrogen, and carbon capture, for the workers?

Mr. ARNOLD. Thank you for the question.

And, you know, certainly are in favor of an all-of-the-above approach. I think those are important options to keep on the table when we are looking about how do we keep existing workers and good-paying jobs and middle-class jobs, and how do we continue to provide those clear opportunities for younger generations.

I think, in Colorado, specifically, you know, one of the things I have mentioned in my written testimony is some of the challenges facing the Pueblo community as they look to retire Comanche Unit 3, which is the State's largest coal-fired power plant, in 2031.

And so, when the committee that analyzed the variable options down there—looking at what is going to provide those critical jobs and economic engine that that area depends on—what they found was the only thing that kind of came close was nuclear.

And so, in the short term, you know, a gas-fired power generation unit would help stabilize baseload, help provide needed tax revenue and jobs, and working towards longer-term nuclear generation as a replacement to fully kind of make that community whole.

Ms. DEGETTE. That is right. Thank you. I am sorry. I have got a couple more questions. That was very helpful, though.

Mr. O'Connor, I want to go now back to you again. Do investments in clean energy like in the Inflation Reduction Act and Bipartisan Infrastructure Law save money on energy?

Mr. O'CONNOR. Yes, they do. And you don't have to take my word for it. Last year, the then-interim CEO of American Electric Power, one of the country's largest utilities, has testified to the Senate that, if the IRA is repealed, it would increase the cost of power and make it harder to serve increasing demand.

So I think there is general consensus that it does reduce cost.

Ms. DEGETTE. Thank you.

Now, one last thing. Over the shock and awe of the last 10 days, the administration has frozen billions of dollars from the IRA and the IIJA for energy development that has already been allocated to domestic producers.

And I just received an email yesterday for Colorado. The Colorado Energy Office has been awarded over \$500 million in funds from these programs that have been frozen for the last week and a half. These include 25 million for grid resilience, reliability, and stability; money for home energy rebates, \$70 million; flexible funding for State energy offices; home energy rebates; commercial energy rebates; weatherization; energy efficiency financing; small

community energy support; Mr. Arnold—workforce development; low-income solar programs; multiple programs; et cetera.

Do you think, Mr. O'Connor, that freezing all of these programs is going to help us build towards American energy independence in this country?

Mr. O'CONNOR. No, I don't. And I know you asked a question about nuclear at the beginning. I would note that the Palisades Nuclear Power Plant on the shores of Lake Michigan received a loan guarantee from the Loan Programs Office. So, if that funding is paused, it would also impede nuclear deployment as well.

Ms. DEGETTE. Is it paused to date?

Mr. O'CONNOR. My understanding is that all LPO loans are paused to date. I don't know that company's particular circumstance.

Ms. DEGETTE. Great. OK.

Mr. Chairman, I ask unanimous consent to put a summary of these projects from Colorado that are frozen to the tune of \$500 million.

Mr. LATTA. Without objection, so ordered.

[The information appears at the conclusion of the hearing.]

Ms. DEGETTE. Thank you.

Mr. LATTA. The Chair now recognizes the gentleman from Georgia's 12th District for 5 minutes of questions.

Mr. ALLEN. Thank you, Chair Latta, for holding this hearing on unleashing American energy production. And I want to thank the witnesses for your testimony today.

America is an incredibly energy-rich Nation, and during President Trump's first term in office we unleashed the power of American energy, and we do lead the world in energy production. But guess what? It is not enough.

Demand is growing rapidly, and we have got to meet that demand or we are going to fall behind in our ability to deal with our adversaries around the world. The United States not only became energy independent. We became energy dominant. We set the price of a barrel of oil. We created an oil war between Saudi Arabia and Russia during COVID, brought the cost of a barrel of oil to \$7 a barrel. That is power. That is economic power.

Unfortunately, the previous administration took every imaginable step to undo this progress and de incentivize domestic production, which has caused weakness around the world and wars around the world. I am hopeful that we can now return to our energy dominance and lower the cost for the American people.

In my district, we have Plant Vogtle where units 3 and 4 have been completed, a commercial operation, making Plant Vogtle the largest nuclear power station in the country.

Nuclear energy is key to ensuring our energy dominance, and we must continue the momentum on unlocking our nuclear energy capabilities. The nuclear energy industry has a vital impact on the workforce and on local economies.

As a former businessman, helping to provide jobs for my local community was my greatest gift from God and a privilege.

Mr. Arnold, the U.S. has been a key partner in fostering innovation, and nuclear technologies will be critical in promoting advanced nuclear reactors. Your testimony discusses the workforce

opportunities for pipefitters at a potential nuclear site in the Comanche 3 plant in Pueblo, Colorado.

Can you talk about what types of jobs and benefits that can be created for pipefitters at nuclear facilities and how critical these jobs can be for the local community where these plants are based.

Mr. ARNOLD. Thank you for the question.

Those projects, especially large nuclear facilities like Camp Vogtle, provide thousands of opportunities to pipefitters. There was well over 2,000 pipefitters on those projects during their construction. And the nice part about those facilities is it is not only just the original construction of the facility but the ongoing operations and maintenance required to continue to operate them safely.

And so having high-skilled pipefitters provides jobs that are truly family sustaining. It's health benefits for them and their spouses, for their children. It's retirement benefits that will provide them to retire with dignity after they have made their contributions to our communities. And so they are absolutely critical to the long-term success of folks in the middle class that want to go work with their hands.

Mr. ALLEN. It is a win-win—

Mr. ARNOLD. All the way around.

Mr. ALLEN [continuing]. For our economy and for those who have that incredible skill.

The ADVANCE Act signed into law last summer included my Nuclear Leasing Efficiency Act to streamline nuclear energy permitting and licensing by focusing on metrics and milestones. As a result, the Nuclear Regulatory Commission has been tasked with supporting more efficient, timely, and predictable reviews.

As I mentioned, nuclear energy is vital to our Nation's economic, national, and environmental security. To unleash American energy, we need an all-of-the-above approach, and we need energy projects completed with greater speed than before.

Mr. McCown, my Nuclear Licensing Efficiency Act focused on timely and predictable licensing. Given the demand for energy domestically, how critical is it for nuclear companies to have regulatory certainty at the Nuclear Regulatory Commission? And how could that foster more investment and innovation to ensure U.S. global leadership in nuclear technologies?

Mr. MCCOWN. Yes. Thank you, Mr. Allen. It is absolutely critical. It is crucial. To deploy capital, you must have regulatory certainty, and it is—we have to make this simpler. We have to make this better faster for companies in order to invest.

Mr. ALLEN. Good. Ms. Eversole, I am just about out of time, but I will get you to submit this for the record.

Last Congress, you came before the Environmental Subcommittee and testified on the progress that the U.S. has made in unlocking our domestic energy capacity. I want you to share in writing the impact of exporting our oil and natural gas has on our economy.

Thank you. And I yield back.

Mr. LATTA. The gentleman yields back.

The Chair now recognizes the gentlelady from California's Seventh District for 5 minutes for questions.

Ms. MATSUI. Thank you very much, Mr. Chairman, and thank you to all the witnesses for being here today.

Unfortunately, it is a little difficult to take this hearing seriously while President Trump and Elon Musk are dismantling Federal agencies and ignoring the laws that Congress has passed. As Members of Congress, we are elected by our constituents to come here and do the serious work of thoughtfully considering how to change the law, not to surrender power to the executive branch and unelected billionaires.

Businesses thrive in America because they can count on our legal system to be fair and consistent. It is what protects our citizens from discrimination and arbitrary punishment. It is what protects our democracy from becoming one of the corrupt, despotic regimes that we have fought throughout our history.

The President is taking this country down a dark path, shutting down Federal programs people depend on, freezing payments for lifesaving treatments, giving Elon Musk, the richest man in the world, privileged access to sensitive data. He is ignoring the laws passed by Congress, ignoring a court order, and usurping the separation of powers enshrined in our Constitution. I urge my colleagues to ask yourselves, How far is too far?

I find it ironic we are here today to talk about unleashing American energy while the President is freezing funding for energy projects, threatening tariffs on critical energy and manufacturing inputs, blocking the development of solar on Federal lands, and banning wind energy.

And Republicans on this committee are planning to claw back billions of dollars in funding for American energy projects, taking money out of Americans' pockets. That is not unleashing American energy.

Mr. O'Connor, what is the fastest-growing source of electricity in this country?

Mr. O'CONNOR. According to the EIA, I think it is solar.

Ms. MATSUI. OK.

After solar, what is the second-biggest source of new capacity on the electric grid?

Mr. O'CONNOR. Storage.

Ms. MATSUI. OK. And, after storage—you mean batteries, is that right?

Mr. O'CONNOR. Batteries, yes. And then the third—oh, go ahead.

Ms. MATSUI. OK.

And then what after that?

Mr. O'CONNOR. Wind.

Ms. MATSUI. OK.

The top three sources of new energy in America are solar, batteries, and wind, and it is not even close. The Energy Information Administration ported over 59 gigawatts of new solar batteries and wind in 2024 alone. Compare that with 2.6 gigawatts of new and natural gas. That is almost 23 times more solar, batteries, and wind than natural gas.

Mr. O'Connor, very briefly, why are power companies building so much solar, batteries, and wind?

Mr. O'CONNOR. I think for several reasons. One, they are lower cost. Two, they can be brought online more quickly. Three, there

is a shortage of gas turbines. And then, four, I think there are some broken capacity market constructs, particularly in PJM, that don't induce new investment in thermal generation.

Ms. MATSUI. OK.

Yet the President and the Republicans plan to stop new wind projects, claw back funding for rooftop solar, and raise the price to clean energy. That doesn't sound like unleashing American energy. To me it sounds like a giveaway to the oil industry at the expense of hard-working, everyday Americans.

The IRA is all-of-the-above energy. For the last 2 years, we have been hearing from Republicans about an all-of-the-above approach to energy, but I struggle to identify what President Trump is doing for any energy aside from oil and gas. It is a shame, really, because the Inflation Reduction Act, the Bipartisan Infrastructure Law, and the CHIPS and Science Act actually are an all-of-the-above approach to energy.

Mr. O'Connor, yes or no, does the Inflation Reduction Act ban natural gas or oil?

Mr. O'CONNOR. No, it does not.

Ms. MATSUI. OK.

In fact, the Inflation Reduction Act was deliberately designed to support an all-of-the-above approach to decarbonizing our energy system, fighting climate change while reducing energy cost and improving reliability.

As Mr. Arnold pointed out in his testimony, the Inflation Reduction Act included funding for carbon capture and methane leak detection, enabling natural gas power plants to continue providing baseload power where necessary while still reducing greenhouse gas emissions.

Mr. O'Connor, the Inflation Reduction Act also included a technology-neutral clean energy tax credit. Can you explain that quickly?

Mr. O'CONNOR. Sure. The section 48(e) and section 45(y), those are the clean electricity investment tax credit, which is a tech-neutral tax credit for investments in clean electricity generation, and then the clean electricity production tax credit provides a tax credit for the production of clean electricity.

Ms. MATSUI. OK. So the Inflation Reduction Act supports any energy source as long as it doesn't emit pollution.

I see I am running out of time, and, Mr. Chairman, I yield back the balance of my time.

Mr. LATTA. Thank you very much. The gentlelady yields back.

And the Chair now recognizes the gentleman from Ohio's 12th District for 5 minutes of questions.

Mr. BALDERSON. Thank you, Mr. Chairman. Thank you all for being here today.

My first question is going to be directed to Ms. Eversole. Thank you for being back to the committee again.

Last Congress, you and I discussed some of the environmental and economic benefits we have seen as a result of the shale revolution. It has certainly been a game changer for my district and the Appalachia region, where revenue from Utica Shale leases have bolstered the region's economic by nearly \$1 billion.

I was going to nudge Rick Allen and let him know that we had that conversation last Congress.

But we also know the switch to natural gas is a major reason why the United States is a global leader in emissions reductions over the last 15 years. It is vital the Federal Government work as a partner, not as an adversary, to our energy industry and support their efforts of innovation and reduce emissions through new technology.

Ms. Eversole, can you discuss the efforts that API's member companies are taking to be responsible stewards of the environment while also providing reliable baseload power to our constituents?

Ms. EVERSOLE. Congressman, thank you very much for your question.

API released a climate action framework, which talks very specifically in great detail about ways that we can work together to decrease emissions from the atmosphere. First of all, we focus on ways we can do that in our very own operations. In fact, in 2017, API launched an environmental partnership, which is a group that comes together and focuses on how to decrease methane emissions. It is very important.

Also, I would say that this industry is the largest investor in cleaner technologies, and so we have talked about geothermal. We have talked about CCS. We have talked about a lot of these technologies, and these not only are good for decreasing emissions, they also help create jobs.

Mr. BALDERSON. Thank you very much.

My next question is for Ms. Eversole and Mr. McCown. Thank you. I have a couple Miami grads in our office, so thank you. We will start with you, Mr. McCown, since Ms. Eversole just went.

A 2023 study by NERC economic consulting found that the lack of new pipeline infrastructure is a material obstacle to the natural gas industry bringing the lowest possible cost of gas resources to the market. Can both of you speak to the need for increasing pipeline capacity to help bring lower and more stable costs to industry and repairs?

Mr. McCown, if you could go first, please.

Mr. MCCOWN. Yes. Thank you very much.

I mean, you know, we have 3.4 million miles of pipelines, more than any other country, but at the same time, they don't necessarily go between new sources of production into where they are currently needed.

You know, there are continuing legal battles that are fought by people, frankly, that are opposing fossil fuel under the guise of being concerned about pipelines in their back neighborhood when it is the safest form of energy transportation, 99.999. Nothing ever beats it.

So I think we have to get serious about that and have a discussion about the fact that impeding pipelines is actually counterintuitive to reducing our global emissions and is counterintuitive to delivering cheaper cost to the American consumer.

Mr. BALDERSON. Thank you.

Ms. Eversole?

Ms. EVERSOLE. Yes. I would note that, unfortunately, what we are seeing is the weaponization of well-intended statutes like the

Clean Water Act, like NEPA. And we really need—as we think about comprehensive permitting reform, we really need to think about how we make changes, because right now anyone, anywhere, anytime can use the courts to try to stop energy projects.

And it is not just oil and gas projects, I would emphasize, and we need to have some judicial reform here so, once we get through the high level of scrutiny for these projects, that we can put shovels in the ground and get jobs going for hard-working Americans.

Mr. BALDERSON. Thank you.

When it comes to the Appalachia Basin and the Utica and Marcellus Shale, we are a bit constrained by the inability to transport that oil and gas to the northeast. Can you talk about how this limited pipeline capacity has also hurt producers in States like Ohio, West Virginia, and Pennsylvania, and how this has hurt consumers across the northeast?

Sir, Mr. McCown, yes.

Mr. MCCOWN. Yes, sir.

You know, it has, and if we look to New England, they are constrained, right. We have a large proportion of some States in New England continuing to use biomass wood to heat because they can't get natural gas to them. You know, this is a national problem that has to be addressed, and permitting reform needs to look at it, but some of this is in the fact that the States have permitting authority for citing, not the Federal Government, with regard to certain types of pipelines.

And this affects all pipelines, too. CCS, right, which is carbon capture, is also affected negatively by opposition to pipelines.

Mr. BALDERSON. Thank you.

Do you want to add anything?

Ms. EVERSOLE. I think we are out of time. Thank you, sir.

Mr. BALDERSON. We are. Thank you.

Thank you, Mr. Chairman.

Mr. LATTA. The gentleman's time has expired.

The Chair now recognizes the gentleman from New York's 20th District for 5 minutes of questions.

Mr. TONKO. Thank you, Mr. Chair.

Mr. O'Connor, welcome back to the subcommittee. I strongly support expanding our grid infrastructure to help meet our growing electricity needs, but if we only work to increase supply, we are severely limiting our tools to maintain a reliable and an affordable energy system.

Reducing demand through cost-effective energy efficiency measures is a proven strategy across all segments of the system—generation, transmission, distribution, and use.

So Mr. O'Connor, what should be the role for efficiency as we work to meet our growing and changing energy needs?

Mr. MCCOWN. Mr. Tonko, thank you very much for the question. Efficiency is something we always need to continue to work on. There is a balance between efficiency and cost that we have to weigh out. But, clearly, what we produce, everything from our water heaters to our dishwashers, are far more efficient than they used to be.

My only caveat is that we can't conserve our way to prosperity because simply we continue to use more and more energy. So it is a tool but not the only tool.

Mr. TONKO. Mr. O'Connor, same question for you.

Mr. O'CONNOR. I thought that was well put. It is an important tool. Our ability to serve load is based on how much we generate, what our losses are in the transmission of electricity, and then what our load is, how much do we actually need to use. Energy efficiency reduces our demand for electricity. It frees up electricity to be used for other purposes.

And I am full of energy industry sayings. Another one is that the least expensive kilowatt hour is the kilowatt hour not used.

Mr. TONKO. Thank you.

And efficiency can also be an important tool to empower American consumers. The reality is that everyday Americans cannot control whether the oil and gas industry would choose to slow down production when it is beneficial to their bottom lines.

But many people can make investments in their homes resulting in significant savings on their electricity and heating bills. For example, according to ACEEE, the 25(c) tax credit helped 2.3 million American households upgrade their homes in 2023, saving an average of \$130 a year in energy cost. By 2032, the credit will cut peak electricity demand by some 3,400 megawatts.

Similarly, the IRA's rebate programs for efficiency and electrification are expected to save consumers up to \$1 billion annually in energy cost.

So, Mr. O'Connor, how important is continuation of these efficiency incentives to help consumers take steps to reduce their energy bills?

Mr. O'CONNOR. It is critically important, particularly in a rising cost environment, which may continue if we impose tariffs on imports from Canada and Mexico. And I know you mentioned, I think, 2.3 million American households. I have seen data that said 3.4 million American households had availed themselves to IRA-related energy efficiency credits and rebates.

Mr. TONKO. Terrific.

So developing grid-scale energy projects requires tremendous long-term planning and capital investment regardless of the technologies being utilized. And when I talk to developers, they always tell me that the most important thing they need is certainty to have the confidence to make those investments.

Mr. O'Connor, when we see rash and unclear Executive orders and other actions from the White House and Federal agencies, can that have a chilling effect on the private sector?

Mr. O'CONNOR. Yes, absolutely. At best, it delays needed investments while everybody awaits certainty, and, at its worst, it completely undermines them. We are trying to compete in a global economy, and if the rules here are unclear and create uncertainty for companies, they will find other jurisdictions to do business in.

Mr. TONKO. And if there is a perceived possibility that the rug will be pulled out from under these developers by changing the rules on Federal tax credits, on grants, loans and permitting opportunities, what kinds of risk does that present to the domestic man-

ufacturers, the construction companies, and American workers that make these energy projects happen?

Mr. O'CONNOR. Yes. I think there are at least two distinct risks. One are risks to folks who have already made investments in domestic manufacturing and electric generation based on their reliance of the existence of these tax credits. We have seen those manufacturing facilities opening up all around the country. And so, if they get the rug pulled out from under them, a number of those projects simply won't pencil.

I think the second risk is for new projects. Assuming none of us here are happy with the amount of domestic manufacturing we have because we always want more, if we don't have these critical tax incentives, then projects, like I said, are going to choose other jurisdictions that are more business friendly.

Mr. TONKO. So, if we want to compete to be the global leader in emerging strategic industries, meet our energy demands and certainly lower energy cost all at the same time, we need to help foster a stable business environment for investment, is what I am hearing from your answers.

And President Trump's approach of causing chaos is simply and clearly the wrong approach.

With that, Mr. Chair, I yield back.

Mr. LATTA. Thank you very much. The gentleman yields back.

The Chair now recognizes the gentleman from Texas' 11th District for 5 minutes for questions.

Mr. PFLUGER. Thank you, Mr. Chairman.

I think the good news today is we know Americans can now do math because energy was on the ballot, and we did math, and we now have a new approach to a lot of bad policies that we saw over the past 4 years, which put us in a very precarious and detrimental situation going forward.

And the foundation of our economy is energy. I am proud to have this week on the floor H.R. 26, which will protect a critical innovation and technology, hydraulic fracturing, which, without that, the last 4 years would have been much worse and, with the help of the State of Texas, the Permian Basin in general.

Ms. Eversole, welcome back to the panel. Thank you for being here.

I want to talk about one of the bad policies, the waste emissions charge that came out of the last administration. With regards to cost, production, and the future of the industry, just kind of give us a roadmap for what that will do.

Ms. EVERSOLE. Congressman, thank you very much for your question.

You know, we think about the waste emissions charge or the so-called methane tax is completely the wrong way to go about this. It is in the industry's interest and it is in society's benefit that we keep methane from escaping into the atmosphere.

I have referenced the environmental partnership, which API leads, with a variety of companies across the value chain to help reduce methane emissions. We are committed to doing that.

And I think, from your district, you know, in the Permian Basin, that is really, you know, ground zero for energy production in many ways. You know it is smack dab in the middle of your district. We

are seeing decreases in methane, and we look forward to continuing to do that.

Mr. PFLUGER. Well, thank you for that, and the leadership that API has shown with the roadmap. Also, AXPC recently submitted a letter. Mr. Chairman, I would like to seek unanimous consent for recommendations by AXPC to this committee.

Mr. LATTA. Without objection, so ordered.

[The information appears at the conclusion of the hearing.]

Mr. PFLUGER. Thank you very much.

Mr. McCOWN, let's talk about the energy emergency that President Trump just declared. Why did we have to declare that? What does it mean? And what should this committee and Congress and the legislative branch be doing to back that up and get us back on track?

Mr. McCOWN. Absolutely. Thank you for the question, Mr. Pfluger.

You know, the simple math is, yes, we are producing more oil and natural gas than we ever have, 13.4 million barrels per day. The problem is we are using 20.3 million barrels of oil a day. That is a deficit.

We do produce more natural gas than we consume, and thank goodness we have been able to export it to friends and allies, but we are not yet quite energy independent, and the forced early retirement of baseload energy on the electric side, there is a looming crisis that is going to hit, and it is not going to be fixed by throwing up small-scale renewables.

We need baseload power that is not intermittent, and we need to get on it in a hurry.

Mr. PFLUGER. Thank you very much.

And, Mr. O'Connor, I appreciate your acknowledgement of the amount of energy we are producing, but the math problem that we still have is that we have a lot more demand when it comes to what we are going to do in this country, specifically data centers.

Mr. Arnold, thank you for mentioning the fringe groups. I see that is the biggest threat to normalcy, reasonableness, and reality. And so, between Mr. Arnold and Ms. Eversole, I want to talk about the study that was in the 11th hour submitted by DOE that said that it is—you know, we thought that LNG exports were in the public interest, and the study was released.

Talk to me about that temporary pause, which they said was a pause, but it actually affected a lot of investment into the LNG sector in getting that overseas.

Ms. EVERSOLE. Congressman, you know, I would simply say that, unfortunately, that was an example of where politics got in the way of durable, long-term investments, and it impacted not only investment here in the United States, but it impacted our allies.

And, as somebody who puts on the uniform and continues to put on the uniform every day, it doesn't have to be that way, and we want to make sure that we can continue to produce LNG in this country and export it to our allies around the world.

Mr. PFLUGER. It has been mentioned, permitting reform. Part of that is the judicial reform, litigation reform.

Mr. Arnold, those fringe groups that are very small in percentage but have an outsized voice, tell us your experience with that and how they have been detrimental to the industry.

Mr. ARNOLD. Thank you for the question.

Really, you know, pipefitters, my fellow workers, they just want to see things that make sense, and LNG facilities, for example, provide tremendous work opportunities. If you look at Cove Point, we had thousands and thousands of pipefitters on that project and continue to have pipefitters on that project for ongoing operations.

In addition to that, you have all the pipeline projects that, you know, have to be built, and that provides additional work opportunities for our pipeliner members. And so let's just do what makes sense and reward Americans that are out there working hard trying to do the right thing.

Mr. PFLUGER. I think I heard that in the inaugural address, that we are going to govern with common sense. Thank you for backing that up.

Mr. Chairman, I yield back.

Mr. LATTA. The gentleman yields back.

The Chair now recognizes the gentlelady from Washington's Eighth District for 5 minutes for questions.

Ms. SCHRIER. Thank you, Mr. Chairman, and thank you to our witnesses.

First, I would just like to second what a lot of my colleagues have been saying here. Congress funded the infrastructure law and invested in climate and clean energy, and, as a result, billions of dollars came to my State, Washington State, in the form of a hydrogen hub, battery manufacturing, cutting-edge research, grid hardening for utilities, and support for aging hydropower infrastructure.

The Trump administration's decision—without any Republican objection—to abruptly and illegally cut off funding already approved by Congress is beyond reckless, and, frankly, it kneecaps our efforts to unleash American energy production and independence. I am also outraged by the reckless Republican attempt to gut the Federal workforce across the board.

Specifically for this discussion, employees of the Bonneville Power Administration—a public agency self-funded by Northwest rate payers, mind you—received the same blanket incentive to resign in order to hack away at the Federal workforce.

For those of you who don't know, Bonneville was established to market power from federally owned power-generating dams to ratepayers at cost. They are also a negotiating partner in an international treaty. They provide three-quarters of all Northwest transmission, and they serve as the—the—grid-balancing authority for the region.

Their highly skilled workforce is already strained but manages all of this, and that is why this is so extremely dangerous. Encouraging resignations of the highly experienced people who are the few who actually understand how to manage these operations in the Northwest risks decimating affordable access to nonemitting hydropower in the entire Northwest.

Bonneville has system operators and support personnel who manage the complex flow of electricity 24/7, 365 days a year. It has linemen who go out in the worst conditions to repair damaged

power lines and restore services quickly as possible. They also bring new energy generation online, processing requests to connect to the grid, getting that into interconnection queue.

These and many jobs at Bonneville require substantial training and—I want to emphasize—cannot be easily replaced when you hack away at Federal jobs.

Mr. O'Connor, thank you for being here. As a lawyer working on these clean energy projects, you have dealt with the RTOs' interconnection queue that line up to get new power projects connected to the grid. I was wondering if you could comment, have you experienced difficulty with the balancing authority in getting projects hooked up to the grid?

Mr. O'CONNOR. Yes. I don't have experience with BPA in particular, but I do spend a lot of my time working with the RTOs and TOs and transmission owners and operators to interconnect projects across the country. And, yes, there are delays.

Ms. SCHRIER. Absolutely there are delays. It is part of the transformer shortage, but part of it is, whether it is wind or solar, connecting to the queue is a very big deal, and, again, cutting employees at Bonneville risks this, risks our energy portfolio, and just slows our transition to nonemitting hydropower.

So I guess what I would just like to conclude with is just that we all want the government to be more efficient. We all want to move that interconnection queue more quickly. But these brute-force blanket actions taken so far are not the answer. We need a scalpel, not a machete, to increase productivity and efficiency in the Federal workforce.

And, if the President truly wants to unleash American energy and do the right thing and focus on nonemitting energy, he and his governing party should not take away the experts who we need to make that happen. It is an insult, frankly, to the experienced workers that we have.

With that, I am going to thank you and yield back.

Mr. LATTA. Thank you. The gentlelady yields back the balance of her time.

The Chair now recognizes the gentlelady from Tennessee's First District for 5 minutes for questions.

Mrs. HARSHBARGER. Thank you, Mr. Chairman, and thank you to the witnesses for being here today.

Mrs. Eversole, can you speak to the need for meaningful permitting reform and why it is essential for more pipelines to be built to ensure America can get back on the path to energy dominance? Because you said in your testimony it takes longer to permit an energy infrastructure project than to obtain a college degree.

Ms. EVERSOLE. Yes. Thank you very much for your question, Congresswoman.

Yes. It simply doesn't have to be this way. We are ready to build the projects that we need in this country to address the growing demand, and we can do it such that the energy produces affordable, reliable, and cleaner energy, and the best way to get started, API recommends a five-point policy roadmap. Permitting reform is a key part of that.

But we need to build not only pipelines for oil and gas, but we also, as has been referenced on this panel, we need to build it for

CO₂ because this is going to take an all-of-the-above approach to meet the energy addition that the demand that we have requires going forward.

Mrs. HARSHBARGER. Yes. Thank you, ma'am.

My colleagues on the other side seem to be insinuating that we don't need any new oil expansion to maintain our energy security. And, of course, you said again, which I say all the time, energy security is national security. So would you like a moment to correct the record as to why we need new oil expansion, ma'am?

Ms. EVERSOLE. Absolutely. And I am a military spouse, and I know the sacrifices that the men and women and the families of our servicemembers make each and every day around this country, and I think that the oil and gas industry plays an important part.

Yesterday, the President announced the return to his maximum pressure campaign against the country of Iran. Iran is a net energy producer, oil and gas in particular. And so we are looking at taking, you know, more than a million barrels a day in production off the grid.

And so what did markets do yesterday? They kind of shrugged, and the reason is market, global markets understand that the United States is now the swing producer. We don't have to be reliant on Iran or Russia. We don't have to be reliant on cartels because the men and women of this industry can step up each and every day. And imagine if we were not in a position that geopolitically we had the strength to say to Iran, "Enough is enough."

And so American oil and gas plays a really important role here, and we are proud for what we do each and every day.

Mrs. HARSHBARGER. Yes, and I agree with that.

Recent reports indicate that Elon Musk's Department of Government Efficiency may be setting their sights on the National Oceanic and Atmospheric Administration, or NOAA. My understanding is that NOAA used a page out of the old playbook of using the Endangered Species Act to attack oil and gas by way of the Rice's whale.

You know, the more I read about the Rice's whale, I don't know if it is a new species they just discovered or it is an old species that used to be called the Bryde's whale. All I do know is it lives in the Gulf of America, OK.

So what would you recommend to DOGE with regards to the Rice's whale, if and when they take a look at NOAA?

Ms. EVERSOLE. Thanks for your question.

Look, we need to get a biological opinion completed so we ensure that we don't have any interruptions in productions in the Gulf of America. It is very clear that that energy produced in that area is among the cleanest barrels of oil produced on the planet. It benefits not only consumers here in the United States, but, as we just discussed, it benefits our allies around the world.

Mrs. HARSHBARGER. OK. Thank you for your answer.

And, with that, Mr. Chairman, I yield back.

Mr. LATTA. Thank you. The gentlelady yields back.

And the Chair now recognizes the gentlelady from Texas' Seventh District for 5 minutes for questions.

Mrs. FLETCHER. Well, thank you so much, Chairman Latta. I am so glad to work with you and everyone here on this subcommittee again this Congress.

I want to thank our witnesses for your testimony today. It has been incredibly useful and important.

I represent the energy capital of the world in Houston, and we know firsthand what unleashing American energy looks like. In 2023, Texas generated more electricity and produced more oil and gas than any other State. Texas also led all States in the United States in the production and generation of wind power, and it was second in solar generation and battery storage capacity.

So, like my colleagues, I am disappointed that, in the first few days of President Trump's term, he has politicized energy issues by declaring a national energy emergency, even though, as we have heard today, the United States is producing energy at record levels, by rescinding many of the Biden administration's actions related to clean energy that we worked on in this committee and in the Congress, by withholding funding by halting new offshore wind projects, threatening baseless tariffs on resources that our domestic energy industry depends on, potentially spiking prices for U.S. consumers as well, and reducing the Federal workforce of regulators that we need in our energy sector, among others. We heard a little bit of that from Congresswoman Schrier.

Members of this committee know that my constituents and I agree substantively on some of the policy ends that have been announced in recent days, especially efforts to address permitting delays and renewing the review of LNG export permits. And I appreciated your testimony on that issue, Mr. McCown.

But the means employed to do this are deeply troubling. And, frankly, I am disappointed that this committee didn't get the permitting work done in the last Congress because that is what we are here to do, and that is what we need to do. I hope we will be able to do it in this Congress.

That said, the sweeping orders that President Trump has signed really fail to give our energy industry the regulatory certainty it needs to succeed. It is just not what unleashing American energy looks like.

With the United States producing more energy than ever before from all sources, now is not the time to halt innovation, much of which is happening in my district and my hometown near Mr. Weber and not too far from Mr. Pfluger.

Houston is home to 11 percent of U.S. energy jobs and more than 4,700 energy-related firms, and the number 1 issue I hear about from people in the business who work in my district and beyond, many of them API members, is the need to know the rules and requirements to trust that long-term projects can move forward once they are approved. They need permitting certainty. They need investment certainty. They need to plan.

And before making these multibillion-dollar investments that Americans rely on, the people who are undertaking them need to be able to rely on the process. And what we are seeing right now is a destruction of the process—the legislative process, the agency process—a destruction that is going to have impacts and chaos for years to come.

Among other things, having a reliable process means having qualified, experienced personnel in the agencies responsible for the permitting process.

We have all seen the news of what is happening in the agencies and the directives from unelected billionaire Elon Musk, who now has access to all kinds of databases and has interns sending legally questionable memos to career civil servants telling them to quit their jobs.

I can't imagine that anyone waiting on a permit wants that kind of chaos and delay.

It also means supporting investments of all kinds in energy, to get more energy to the grid for Americans, and to continue to develop technologies that get more power onto the grid and technologies that we can export.

The war on wind and solar is nonsensical. And don't just take it from me. It was the Republicans in Texas, President Trump's first Secretary of Energy, then-Governor Rick Perry, that had the vision to build out our wind infrastructure more than two decades ago.

The diversity—yes, diversity—of energy sources on our grid in Texas has spurred innovation of all kinds.

We have some of our own challenges to address with grid resiliency and demand, but taking sources off the grid is not the way to solve it.

And it is critical, as you said, Ms. Eversole, that lawmakers and industry experts work together to implement smart energy policy that will be durable, that will allow members of our communities to innovate, create, and plan for the future that we all want.

That said, I have only got about 20 seconds left for questions, so I am going to submit the many questions that I have for the panel for the record. But I really want to thank you all for your time.

Each of you has questions coming from me, and I am sorry that with so much to say and so much going on, I didn't get the chance to have you answer them, but I look forward to seeing your written responses on these hugely important issues.

Thank you, Mr. Chairman, and I yield back.

Mr. LATTA. The gentlelady yields back the balance of her time.

The Chair now recognizes the gentlelady from Iowa's First District for 5 minutes for questions.

Mrs. MILLER-MEEKS. Thank you, Chairman Latta and Ranking Member Castor, for holding this hearing today. And I also want to thank our witnesses for testifying before the subcommittee.

If you go to the House chambers and you look above the seat of the Speaker, you will find a saying that says, "Let us develop the resources of our land." And that is exactly what Iowa has done.

Iowa stands as a powerhouse in America's renewable-energy landscape and has transformed its agricultural abundance into vital biofuels, producing over a quarter of the country's fuel ethanol and biodiesel and trying to get into sustainable aviation fuel as well.

Its wind turbines, second only to Texas, harness the strong prairie winds to generate an impressive 59 percent of the State's electricity, and we are a net exporter of electricity.

This blend of agricultural might and renewable energy innovation has positioned Iowa as a crucial player in America's energy sector, offering its residents some of the most affordable electricity rates in the country, while maintaining high per-capita energy consumption and also bringing businesses into our State that rely upon this mix.

We know that for the United States to be competitive economically, that we have to have abundant, affordable, reliable, secure energy, and that is what this hearing is about.

Mr. McCown, I don't have a question for you. I just want to thank you for your many years of service as a fellow veteran.

Ms. Eversole, thank you for also mentioning the TCJA. It needs to be reauthorized at the earliest possible date for stability and continuity.

Mr. Arnold, thank you for mentioning 45Qs.

And also, Mr. O'Connor and Mr. Arnold, thank you for mentioning Canadian oil. As I recall, it was President Biden in an Executive order who canceled the Keystone pipeline, which led to the loss, if I remember correctly, of about 11,000 American jobs, most of those union jobs.

Mr. McCown, I would like to ask you about the importance of any-of-the-above energy mix, and we have most of them in the State of Iowa, and that includes a diverse mix of generation sources.

We know that wind and solar have become significant parts of the electricity mix, but they don't have a dispatchable, continual baseload, and storage will help with that.

Can you explain why it is important to our economic and national security? And I say that not as just a quip. It is tremendously important to national security to have a diverse energy supply from all generation sources and that is both abundant and affordable.

Mr. McCOWN. Absolutely. Thank you so much for that question.

Like we said, don't put all of our eggs in one basket. Have different. And as I listen to both sides, believe it or not, I think there is more consensus here than maybe we might think about some days.

We do need an approach that includes everything in our energy mix, and that particular mix, the percentages of that mix, will change over time as technology and innovation move forward.

The trouble is, if you push a transition—and leading experts say transitions take years, decades, or even centuries, you cannot will it through congressional mandate overnight. Molecules do not respond that way. We have to be careful about how we change this mix, and we have to understand that the reality of today is that fossil fuels are powering the future. And if we want to reduce our carbon footprint, we should start by talking to the Chinese and the Indians.

And so with that, the SAF, the ethanol, the CCS projects that you have going on in your State are fundamentally crucial for this country, and I think your State is a model of how to do things.

Mrs. MILLER-MEEKS. Well, as chair of the Conservative Climate Caucus, I believe that we can leave a cleaner, healthier planet to

our children and grandchildren and compete economically around the globe.

We should focus on reducing emissions and solutions rather than trying to support and subsidize certain industries.

And you brought up a crucial point about carbon-based fuels. I, too, have a lot of questions which I will submit for the record.

But, Ms. Eversole, expanding American energy production is crucial for keeping energy prices affordable.

One of the things that has not been mentioned in this industry is the fracking revolution led to saving, according to NBER, 11,000 American lives since 2005, lowering emissions in the United States, greater than any other country, while increasing energy generation by 48 percent. That is quite a stellar record.

So we know that it helps national security, our energy security, it helps energy poverty, and it drives economic growth.

The administration has taken important steps, like restarting the LNG export approval process. In your view, what additional actions are needed to reduce barriers and accelerate development of America's vast energy resources, because demand is only going up, and we need every energy supply generation that we can possibly muster using our natural resources?

Ms. EVERSOLE. Thank you, Congresswoman. I would point to API's five-point policy roadmap that contains solutions that we all need to benefit from.

Mrs. MILLER-MEEKS. Thank you. I will submit questions for the record.

I yield back.

Mr. LATTA. Thank you very much. The gentlelady yields back her time.

And the Chair now recognizes the gentlelady from New York's 14th District for 5 minutes for questions.

Ms. OCASIO-CORTEZ. Thank you so much, Mr. Chair.

At the beginning of this term, President Trump has allegedly promised to cut energy prices to Americans in half within 18 months, a tall order. And for the record, the price of gas on the day that President Trump was sworn in was about \$3.01 a gallon.

Yet this past weekend, Donald Trump announced one of his first major energy price policies, which is gas tariffs, including broader tariffs on Canada and Mexico.

Mr. O'Connor, the broad tariffs on Canada and Mexico, the 25 percent tariffs, also include tariffs on energy, correct?

Mr. O'CONNOR. Correct.

Ms. OCASIO-CORTEZ. OK. And what percent of U.S. crude oil imports come from Canada and Mexico?

Mr. O'CONNOR. I think between 50 and 60 percent from Canada and around 10 percent from Mexico.

Ms. OCASIO-CORTEZ. Uh-huh. That is what we see here. About 60 percent of the crude oil that the U.S. imports comes from Canada, and about 10 percent comes from Mexico.

So we are talking about two-thirds of all U.S. crude oil imports come from Canada and Mexico. And if they come from those two countries—and Donald Trump is announcing overnight tariffs on these two nations—let's dig into what that means.

If we were to place tariffs on two-thirds of the United States' crude oil imports, what impact would that have on prices?

Mr. O'CONNOR. Yes. They would increase. I think I saw something from Yale that said gas prices would increase about 4 percent, but significantly more in the Midwest.

And then we would also see higher prices from natural gas. I think, Ms. Schrier, in the Pacific Northwest, you import quite a bit of natural gas from Canada, so those prices would go up.

And, of course, New York imports hydro from Hydro-Québec, and, frankly, it is unclear to me how the tariffs would apply to electricity, but I think NYISO has expressed concern that it would raise electricity prices in New York.

Ms. OCASIO-CORTEZ. And these tariffs will increase prices in other commodities as well.

So what I am hearing is that, despite all of this talk that Donald Trump and the Republican Party have about driving down energy costs, their first decisions are actually to drive up energy costs, including prices at the pump, across the United States.

And that has knock-on effects across the entire economy, right? These prices are not just contained. They are not just hiking prices on oil and gas. Oil and gas prices will then hike up prices on groceries and pretty much any good that gets transported, as well as housing and construction, correct?

Mr. O'CONNOR. Yes. That is right.

Ms. OCASIO-CORTEZ. OK. And so we are looking at almost an all-economy increase in prices. And that has also been backed up in previous price changes as well.

In fact, oil production and what we have seen is that in 2023, in some of these gas price increases, we saw knock-on effects across the entire economy before, right, with gas?

Mr. O'CONNOR. Yes.

Ms. OCASIO-CORTEZ. OK. So I think what we need to really hone in on here is that what we are seeing is that the Trump administration is saying one thing but doing another. And if the Trump administration is promising to lower energy prices, it is important for us to ask, Why are they making decisions to do the opposite? But let's—

Mr. O'CONNOR. I hope you are not—oh, I am sorry.

Ms. OCASIO-CORTEZ. Oh, go ahead.

Mr. O'CONNOR. I hope you are not asking me that question. I don't know.

Ms. OCASIO-CORTEZ. I think we will dig into it.

So let's pause for a second, and I want to put a pin in that, and let's talk about solutions, because while preventing these short-term spikes is important, we do need to invest in the long-term infrastructure to actually drive down energy prices.

And what the Trump administration is doing is not just doing tariffs, but they are also attacking expansion in energy production on renewable energy as well. And more energy means more energy across the board.

So what would be also the knock-on effects of reducing renewable energy production while increasing tariffs on oil and gas?

Mr. O'CONNOR. Yes. I think we are going to see higher electricity prices, higher oil and gas prices.

I think Ms. Eversole mentioned the need for permitting reform. It is notable that one of President Trump's first actions was to pause permitting for projects—wind and solar projects, particularly, but not exclusively—on Federal lands. And so I think we will see the knock-on effects, and consumers will, unfortunately, pay the price.

Ms. OCASIO-CORTEZ. So we are talking an explosion in prices, but when we talk about also as well as permitting reform, I also just want to acknowledge Mr. Arnold and some of your statements you have made on geothermal energy.

I think that one of the areas that we can find bipartisan agreement is the fact that we do want to make plenty of jobs in this country, especially for pipefitters.

I know you are from Colorado, but we work with our pipefitters in New York. And in order for us to really invest in projects that will create jobs for not just your union but Americans in—and not just your local but Americans and locals like yours across the country—is tremendously important, especially in areas where we can invest in those projects while also cleaning up our energy supply.

So thank you.

Mr. LATTA. The gentlelady's time has expired.

And the Chair now recognizes the gentleman from Michigan's Tenth District for 5 minutes for questions.

Mr. JAMES. Thank you, Mr. Chairman.

Apparently Democrat gaslighting produces zero emissions. But what does their radical agenda mean for constituents in my district and your districts who pay more at the pump, who pay more for groceries?

Folks in southeast Michigan have experienced their jobs being extinct, being shipped to other States, being shipped to other countries, because Green New Deal woke policies do not work in the real world.

Let's look at this from a 30,000-foot view. Over the past 4 years, every American has footed a higher gas bill, higher energy costs, and rising prices to keep their cars running and their homes heated.

Under the Biden-Harris administration, they totally bent over to the radical left. We stopped producing cleaner, affordable energy in America to fit a narrative that only serves coastal elites and the rich in New York and California.

What did this lead to? Our Strategic Petroleum Reserves hit lows we haven't seen since I was a baby. That meant the U.S. relying on energy that was unclean, energy that I would note is from dictators and despots in Moscow and Beijing and Tehran.

Here is the inconvenient truth for my friends on the left: Energy produced and developed here in America is cleaner, it is safer, and it doesn't threaten our national security. In fact, it bolsters it.

And what is worse, relying on our adversaries for energy means American jobs go down and not up. My constituents in the Detroit area are all too familiar with this, seeing the reckless policy effects of the EV mandates.

Another failed policy billable to the Biden administration is importing sour crude, which has funded our adversaries. And we talk about infrastructure investments on the left side? Well, how about

shutting down the Keystone pipeline, which got rid of 11,000 union jobs?

Now, the Democrats' Green New Deal agenda is the Grim Reaper for American jobs and actually clean energy.

Being able to actually move forward into a future where we can all have cheaper, safer, cleaner energy is our goal. "All of the above" is the approach.

The Line 5 pipeline is something that is a critical artery of energy for transporting crude natural gas in western Canada, which goes through Michigan, through the Great Lakes. And Line 5 is not just an economic driver for Michigan, but it also provides energy to the east side of Canada.

Unfortunately, radical environmentalists and ambitious politicians in both Lansing and Ottawa have become obstacles to common sense. They are banding together to shut down Line 5 in violation of a treaty that we have with our Canadian neighbors.

Ms. Eversole, in your expert opinion, do you believe that restrictions like those restrictions on Line 5 and having an all-of-the-above energy approach, continuing to trade with our Canadian allies makes us weaker or stronger?

Ms. EVERSOLE. Indeed, these restrictions make us weaker.

Mr. JAMES. Thank you.

Two weeks ago, Michigan State regulators approved a \$217 million rate hike on the DTE Energy, a power provider in southeast Michigan.

According to MPSC, the State regulator, DTE must charge consumers more to upgrade old power lines and continue maintenance to improve reliability.

Now, we know that Michigan is now ranked 38 out of 50 for having the highest energy costs.

Mr. McCown, in your expert opinion, is this a recipe for success, increasing costs and price without also having permitting reform and allowing an all-of-the-above approach, to include natural gas, to smooth our way away from coal and smooth our way toward nuclear, or do increased regulations increase costs on consumers?

Mr. MCCOWN. Mr. James, you are spot on. Increased regulations increase costs, and far too often utilities are more than happy just to pass that along to the consumer instead of investing some of their profits back as well.

Mr. JAMES. Thank you.

Last year I spoke on the House floor about how Biden's war on LNG was going to harm Michigan specifically. We have 1.1 trillion cubic feet in underground storage, which is one-eighth—one-eighth—of the entire Nation's natural gas storage capacity.

Given DTE and consumers' baseload requirements that are increasing over the years versus the regulations in Michigan—we have been dealing with heavy-handed restrictions on building additional natural gas facilities and the supporting infrastructure requirements that we need to convey that safely with less power outages across the State—with a Republican House, Republican Senate, and White House, what can this Congress do to scale up natural gas as a reliable source again, Mr. McCown?

Mr. McCOWN. Well, there are several things we can do. Number 1 is, we can stop the war on fossil fuels. We can have revised permitting. We can invoke public-private partnerships, loan guaranty.

Some of the very same things that have been done for the renewable industry could be done to expand our natural gas or other fossil fuel industry too. It should be a level playing field for everybody.

Mr. JAMES. We all want clean air. We all want clean water. We all want to reduce pollution. But we also don't want to send our countrymen to the poorhouse trying to pay for sunshine and rainbows before our infrastructure is ready for it.

The former President's LNG war is a top—well, let me—I am running out of time here, so I will just say, we need to have something that is environmentally, economically friendly, and I plan to work on an all-of-the-above energy approach with my colleagues on the left and right.

Thank you, Mr. Chairman.

Mr. LATTA. Thank you very much. The gentleman's time has expired.

The Chair now recognizes the gentleman from Massachusetts' Fourth District for 5 minutes for questions.

Mr. AUCHINCLOSS. Thank you, Chairman.

We have heard during this hearing about an all-of-the-above energy strategy, and the chairman himself talked about not picking winners or losers in our energy policy.

And yet the President came into office and immediately picked a loser in the energy approach, which was to say issuing a moratorium on offshore wind production.

This not only is going to raise costs for consumers, particularly in Massachusetts, where up to a million homes could have been powered by offshore winds in a reliable and affordable manner; it also, in my own district, cost hundreds of good jobs.

The company Prysmian, a cable manufacturing company, was supposed to build a \$300 million manufacturing plant in Somerset at Brayton Point. They had negotiated all the permits, they had signed all the deals, and they walked away after Donald Trump took office because they could not deal with the uncertainty that he had engendered.

Now, Ms. Eversole, I know that API has actually worked on offshore issues with the offshore wind industry, and I must ask you, while this moratorium itself is not problematic for you and your constituency, do you think it is a good precedent that a new chief executive can walk in and, based off an EO drafted by one Member of Congress who hates offshore wind, do you think it is a good precedent that one new chief executive can come in and target a specific industry with a moratorium, given what you have said about the need for rule of law and certainly in investment?

Ms. EVERSOLE. Yes, Congressman. Thank you for your question.

I think this is the perfect example where we see that policy has real consequences. Our industry, representing oil and natural gas, of course, certainly felt this in the last administration when there was an all-out ban on LNG exports.

Mr. AUCHINCLOSS. Nothing that happened in the last administration even approaches a moratorium on an entire sector of energy production.

You can imagine that, despite what Donald Trump says, he ain't serving a third term. A Democratic President can take office in 2029, and how would API feel if a Democratic President acted towards the petroleum offshore production in the same way that Donald Trump has just acted towards offshore wind production? Is that something that would engender business confidence in your constituency?

Ms. EVERSOLE. I am actually really reassured because of the substance of what we have talked about today. There is a lot of agreement, swinging in either direction by the way, every 2, 4, or 6 years.

Mr. AUCHINCLOSS. Well, I will reclaim my time.

What I am not hearing from you is any full-throated support of this precedent because I think you recognize that empowering one individual to cancel an entire industry is not good business for API.

And I would just caution my colleagues on the other side of the aisle that what goes around comes around.

Moving towards an area where I think there could be more bipartisan consensus is geothermal. What is clear is hot rock geothermal, in particular, which is the ability to drill 5, 6, 7 miles beneath the Earth's surface, has a tremendous potential to unlock clean, reliable, high baseload power.

And it can be a bipartisan issue. We can drill. We can drill clean energy. We can reindustrialize big segments of the United States. And, in terms of energy security, we can be an exporter of a technology that can retrofit many of the coal-fired power plants that China and India are currently building, getting us closer to 1.7 degrees Celsius by 2050. This is a triple-win issue.

Mr. O'Connor, what would be the effect on repealing the robust suite of tax credits, the tech-neutral tax credits in the IRA, for our ability to do next-generation hot rock geothermal?

Mr. O'CONNOR. Yes. Thank you for the question. And I think you have kind of answered it in the question, which is, the technology-neutral tax credits incentivize geothermal production. And so if you were to repeal the IRA, you would necessarily be undermining that industry right at the time that it is really poised to take off.

Mr. AUCHINCLOSS. I yield back my time.

Mr. LATTA. Thank you very much. The gentleman yields back.

And the Chair now recognizes the gentlelady from Florida's 15th District for 5 minutes for questions.

Ms. LEE. Thank you, Mr. Chairman, for holding this important hearing, and to our witnesses for being here today.

Today's hearing makes clear for all of us that energy independence is critical for our national security and our economic strength.

On day one of his administration, President Trump made clear that he will restore the United States to a position of energy dominance, reversing dangerous and failed anti-energy policies of the Biden-Harris administration that forced us to rely upon our adversaries for energy needs while driving up costs for everyday Americans.

I appreciate the testimony and insight from our witnesses today about the actions Congress can take to help unleash our energy production, restore national security, and lower costs for my constituents in Florida and Americans across the Nation.

Mr. McCown, I would like to return to your testimony.

The Biden administration's fixation, in particular, on EV mandates ignored the economic realities and geopolitical considerations of the manufacturing supply chain.

We know that China exploits their dominance over critical mineral processing facilities in the supply chain for EV manufacturing.

We have also seen firsthand, in my district and other places, how disastrous and inadequate these vehicles can be in the event of extreme weather.

Last year, you penned a letter to President Biden, along with 16 former military and national security experts, highlighting concerns about how the rush to electrify our transportation industry will further deepen our Nation's reliance on an adversarial nation like China.

Mr. Chairman, I would like to ask for unanimous consent to include this letter into the record.

Mr. LATTA. Without objection, so ordered.

[The information appears at the conclusion of the hearing.]

Ms. LEE. Mr. McCown, would you expand on the purpose of this letter and why a substantial community of national security experts maintains concerns about domestic policies that effectively mandate electric vehicles?

Mr. MCCOWN. Sure, Ms. Lee. Thank you for the question.

Look, I am not anti-EV. I own one. But it works in some instances better than it works in other instances. It is a great around-the-town car. It is great if you have a wall box in your house you can charge overnight.

But that EV battery came from China. The raw materials came from China.

We are at a huge deficit when it comes to being able to produce, outside of the Chinese supply chain, the rare earth materials, critical minerals that we need, number 1.

Number 2, while they are an important component of our overall transportation fleet, it is not the only answer, and EVs are not the only answer for everything.

They just don't work in circumstances. I have operated them in Alaska. I have driven them across country. Longer conversation for a different time. They are just not quite ready for mass application.

And further, to electrify the energy system, the electricity grid, as Mr. Peters has pointed out, we have been unable to add power to the grid for decades. The grid is not ready to handle that load, and the fixation about banning gas would even push more—natural gas—would push even more onto the electric grid. It is just not smart policy.

Ms. LEE. I also noted in your written testimony you included the statement that "attempts to demand an energy transition cannot be willed by policymakers. Physics beats policy every day."

Tell us what you mean by that statement.

Mr. MCCOWN. Sure. There are promising technologies. We talked about geothermal from the gentleman from Massachusetts. It has strong promise. We haven't yet talked about hydrogen. That also offers some strong promise.

But these technologies take time. I would like to have a fusion reactor tomorrow. It is not ready yet.

And we can't mandate the deployment of fusion where it doesn't exist. We can't mandate the deployment of certain technologies by picking winners and losers through tax credits, incentives, or straight-up taxes to change the real world.

We need to invest in R&D, and we need to be patient, and we can keep moving toward a cleaner future while not losing affordability or reliability.

Ms. LEE. You also mentioned twin goals of supply and resilience as being part of energy security overall.

I would like to ask specifically about the resilience piece and what you can share with us on the types of cyber threats that pose a risk to the security of our energy infrastructure.

Mr. MCCOWN. Yes. I mean, it is obvious that the more interconnected we become, the more vulnerable we are to outside actors and malicious threats. We have seen that with the Colonial Pipeline system, we have seen that with other infrastructure systems, and another reason why we need not only resilience, but backup systems, secondary systems.

We can't put all of our eggs in one bag, and electrifying everything is putting all your eggs in one bag right now.

Ms. LEE. Thank you, Mr. Chairman. I yield back.

Mr. LATTA. Thank you very much. The gentlelady's time has expired.

And the Chair now recognizes the gentlelady from Virginia's Fourth District for 5 minutes for questions.

Ms. MCCLELLAN. Thank you, Mr. Chairman and Ranking Member Castor, for holding this hearing, and to the witnesses for being here.

I want to start with saying that the dismantling of the Federal Government agencies that we are seeing right now is alarming. And the Trump administration's unprecedented attacks, with the help of Elon Musk, on our Federal workforce and critical programs harm all Americans, regardless of who they voted for. This damage affects every industry in our Nation, including the energy industry.

As a State senator, I led the passage of the Virginia Clean Economy Act in 2020, making the Commonwealth the first southern State with a hundred percent clean energy standard.

And it has spurred economic growth as clean energy jobs in Virginia have grown more than 3½ times faster than overall employment, with over 100,000 clean energy jobs in 2022 alone.

And it has driven major projects, like the Coastal Virginia Offshore Wind Project, which supports nearly a thousand jobs and \$143 million in annual economic output.

Similarly, Commonwealth Fusion Systems has recently announced that they are going to build the world's first commercial fusion power plant in my district, and in over 5 years this facility could generate enough clean energy to power 150,000 Virginia homes.

And given the increased energy demand that we have heard so much about in this hearing today, I am perplexed by the Trump administration's plan, as outlined in Project 2025, to kill home-grown wind and solar and clean energy, illegally rob thousands of energy projects across America of billions of dollars in investment, and declare a nonsensical energy emergency that simply doesn't

exist, and the administration's sole focus on building more fossil fuel infrastructure that locks us into decades of harmful emissions that not only hurt our environment but our national security interests.

As a former member of the Armed Services Committee, as we have seen how climate change impacts our military readiness, operations, and our servicemembers, as the largest naval base in the world sees more and more storms and rain that bisects the basin in half when it floods, and people can't get from one side to the other, as just one example.

Now, I also want to address the Trump administration's posture toward liquefied natural gas.

In December, the Department of Energy released a study on the impacts of LNG exports, and Secretary Granholm made clear that allowing unconstrained LNG exports would increase domestic wholesale natural gas prices by 30 percent and cost households well over \$100 a year—this in addition to the climate impact and environmental harms to overburdened communities near export facilities.

And so, Mr. Chair, I ask unanimous consent to enter Secretary Granholm's statement into the record.

Mr. LATTA. Without objection, so ordered.

[The information appears at the conclusion of the hearing.]

Ms. MCCLELLAN. Thank you, Mr. Chairman.

It is also worth noting that last year House Republicans tried to pass a bill to eliminate the requirement for the Department of Energy to review whether LNG exports served the public interest, even though the public interest standard has been used for over a century for just about every energy project ever done.

And so I want to ask, Mr. O'Connor, if you could explain the importance of the Natural Gas Act's requirement for the Department of Energy to ensure that LNG exports are in the public interest.

Mr. O'CONNOR. Sure. Thank you for the question.

So as you noted, the Natural Gas Act requires the Department of Energy to evaluate whether an LNG export application is in the public interest.

It is my personal view—and I think something that is probably consistent with Mr. McCown's view—that LNG exports to NATO allies, for instance, are in the national interest because we are supporting critical allies.

But I think at the same time, it is also important to evaluate the impacts to Americans and domestic gas prices. And I think the public interest test that is performed or public interest analysis that is performed, I think, reasonably credits the national security benefits and the investment benefits that LNG exports might bring to the United States and to our allies while also balancing concerns against the impacts to consumers, which I think we would all want to know before making any decision.

Ms. MCCLELLAN. Thank you, Mr. Chair.

And, again, I would just note, after having spent 25 years as a utility regulatory lawyer, the public interest standard has been used in every single energy electric project component at the State level and the Federal level for over a decade, and I think any effort to roll it back is dangerous indeed.

And with that, I yield back.

Mr. LATTA. The gentlelady yields back.

And the Chair now recognizes the gentleman from Ohio's Sixth District for 5 minutes for questions.

Mr. RULLI. Thank you, Chairman.

This question is for Ms. Eversole.

Ohio 6 produces 90 percent of the State's natural gas in Utica wells and are breaking oil production records. I understand intangible drilling costs represent 85 percent of the costs of just drilling a brand-new well, and this would, in turn, affect wages for workers like Mr. Arnold.

The Inflation Reduction Act attacks blue-collar workers, period, by taking away oil and gas companies' ability to deduct IDCs under the block minimum tax.

Why do other industries get to write off their businesses' expenses while the oil and gas industry does not?

Ms. EVERSOLE. It is a great question. We hope that this is something that can be addressed in this Congress. Because what we need to do is encourage continued investment here in this country, and that provision, which is not unique to oil and gas—we are just simply asking that it be fairly applied across all industries, including mine.

Thank you.

Mr. RULLI. Well, thank you so much.

I have a second question for Mr. McCown.

The Biden administration showed that tomorrow's energy production, and that the United States' position as a global leader, can be hurt by policies put in place today.

In your opinion, what is the single most important policy that we can champion to ensure America's energy dominance and national security going forward?

Mr. MCCOWN. I think we can assure a level playing field that understands that we need the best of the above, which includes most of our energy resources, while helping research and development for emerging sources.

But at some point these commodities need to stand on their own. They need to be commercially viable. We have to look at the cheapest, most reliable sources possible to power our baseload energy.

Mr. RULLI. Excellent answer.

In my opinion—so in Ohio 6, we have enough in Utica and Marcellus Shale to supply the Earth for about 500 years. And in reality, when you take that into consideration, we could put an end to Middle Eastern wars where none of our boys or girls ever die again in a Middle Eastern war we have no business being in.

I thank you for your opinion.

And with that, Chair, I would yield my time back.

Mr. LATTA. Thank you very much. The gentleman yields his time.

And the Chair now recognizes the gentleman from Texas' 33rd District for 5 minutes for questions.

Mr. VEASEY. Mr. Chairman, thank you very much, and I want to thank the panelists for being here.

What I am worried about right now is the hell that is being unleashed on the American public, the hell that is being unleashed

on employees all around the country that have anxiety about what is going to happen next, news about the CIA today.

That stuff is unsettling, and none of that stuff is good for energy production in this country. And I am glad that we are having this hearing because we do need to figure out ways that we can talk about this subject and it not be so divisive.

I like the comments Ms. Eversole made earlier today, like it doesn't have to be this huge us-versus-them-type deal. This is not the Cowboys versus the Eagles, because if it is the Cowboys versus the Eagles, I am telling you who I am going to root for every time, and this conversation doesn't need to be that way.

But I am worried, and one of the things that honestly really worries me as a Texan that has been down to the Permian Basin and knows how it works is the hell that has been unleashed when it comes to the area of immigration.

Anybody that has been down there knows—it is no secret—anyone that has been down there knows that if you were to really do a mass deportation in this country and clean this country out and send everybody to Guantanamo or wherever else, that you ain't pumping a dang thing out of the ground in the Permian Basin, because several of those jobs in that area—particularly some of the more dangerous, some of the jobs that are the more entry-level jobs—are done by people in this country that are undocumented.

But we are not talking about that. We are not talking about that at all and how we can work together to pass some sort of comprehensive immigration bill so we can have a more stable employment base when it comes to upstream energy production. It is crazy.

In the Texas Legislature last session, they had a bill, the Republicans had a bill that would have put this really strict E-Verify. Because everyone knows what is happening down there. They use these third-party companies to bring in these workers. And so it gives the larger companies cover to have these people working down there that are undocumented here. And they get them papers and they give them everything.

But instead of trying to actually fix this problem and make people not have to worry about how they are going to do that and cause uncertainty in the markets, then we play this game on immigration instead of us actually coming together.

And the Republicans here that serve on this panel with me from Texas, they know that that E-Verify bill was killed because of industries like construction and energy that didn't want to touch the topic because, like Dr. Perryman said—who is one of our State's leading economists, that used to work for Rick Perry, who was a Trump appointee to Secretary of Energy—that if you deport all of these people the way that they are saying and you unleash this mass chaos, that it would actually bankrupt Texas and bankrupt this country.

But, no, we are not really talking about that, and that is really unfortunate.

Look, I want to work with my Republican colleagues on this issue. I have agreed to work on this, to be a part of this bipartisan caucus that is being created on energy security because I think that it is important. But some of these other overarching issues

around these tariffs and immigration and this madness that has been unleashed, we really do need to address those.

And in the brief time that I have left, I just wanted to ask, Mr. Arnold, your testimony highlights some great work that has been done in Louisiana and Colorado, and I commend you for the work that has been done there.

But I did want to get your impressions on what repealing IRA tax credits like 45Q would do for these future projects. Shouldn't we—if we are really for all-of-the-above and really concerned about energy dominance in this country, shouldn't we be working to expand those opportunities?

Mr. ARNOLD. Thank you very much for the question.

Absolutely, as included in my written testimony, fully supportive of 45Q tax credits. I think they are critical to the support of carbon capture sequestration systems and projects moving forward.

And certainly appreciative to any support for nuclear power generation as well as the other alternative energies that we have listed—blue hydrogen, biofuels, geothermal.

I just think we are asking for support of all those good jobs. And let's look at the number of jobs and the quality of jobs and make sure we have policies that are supporting where those good jobs are created, where they exist.

Mr. VEASEY. Thank you.

And, Mr. Chairman, I hope that we can continue to have some discussions on how we can really unleash America's energy dominance in this country by addressing some of these overarching issues and coming up with some real solutions on things like immigration reform in this country and doing away with this silly talk about these tariffs, which looks like they are paper tiger talks on tariffs.

Thank you.

Mr. LATTA. Thank you. The gentleman's time has expired.

And the Chair now recognizes the gentleman from Oregon's Second District for 5 minutes for questions.

Mr. BENTZ. Thank you, Mr. Chair.

Ms. Eversole, when I looked at this hearing title today, I saw it was "Unleashing America's Energy," I thought it should have also included the word "keeping" America's energy.

I say that because I am from Oregon, and we have Bonneville Power Administration, which was mentioned earlier by the Congresswoman from Washington. And it has about 18 hydroelectric dams, four of which have been targeted by the Biden administration to be removed, about a thousand megawatts of firm power, but it can go up to 3,000 in a pinch. And the dams could actually be increased in size to add considerably more generation capacity.

Yet the Biden administration, through the CEQ, it decided that it could cause these dams to be removed for reasons having little to do with fish and lots to do with politics.

This is a huge part of the Bonneville Power Administration's firm power arrangement, which acts as a balancing thing for all kinds of intermittent power-producing things that have been put in, solar and wind and the like.

My question to you, though, has to do with refineries, because refineries are integral to how we keep this country going. And yet I

understood several years ago that we were dramatically short on diesel refineries.

In fact, when they shifted our fleets, all of our fleets over to cleaner fuel, we thought there would be a huge shortage. Apparently, we were able to avoid that in some fashion.

But what I am most concerned about when it comes to unleashing our energy is making sure we have a way to actually make it work for us.

Before you answer, and I want to ask this because you can answer that, and then there is also an attempt in Oregon and California under the Clean Air Act—California's Clean Air Act—to ban diesel trucks.

So having lots of diesel doesn't do you much good if you don't have a place to use it. So unleashing all this energy is no good if you can't get your hands on it and use it.

So first question, what are you doing to maintain the refining capabilities of America? And secondly, what do we do about this attempt to destroy our markets by banning diesel fuel?

Ms. EVERSOLE. Congressman, thank you very much for your question.

Unfortunately, there has not been a large-scale refinery built in this country since 1977. It just doesn't make any sense.

The technology, the way that our energy markets were set up in the late 1970s, does not reflect how the energy realities are of today. And, unfortunately, what we are seeing is the signals that are being sent to the marketplace is that, gosh, we shouldn't do this in the United States.

I completely disagree. We need to add refining capacity here in the United States. We do a lot of work through innovation, and that is great, but that only takes us to a certain point.

So we need to critically address permitting reform. It is important for our refining sector.

And then, I am sorry, the second part of the question?

Mr. BENTZ. And so the second question, well, it doesn't do you much good if you have refining if you have no place to sell your product. So I think the concept was, well, we will ban the use of diesel in heavy trucks, and that way it won't matter if you have refining capacity.

So my question to you is, when we talk about unleashing energy, shouldn't the conversation be broad enough to address how we can use it?

Ms. EVERSOLE. Absolutely. And, specifically, banning certain forms of energy, it just doesn't make any sense. We are in a position right now where it is about energy addition.

Diesel literally powers our economy. It is a reason why we are able to move things around this country efficiently, and we need to continue to be able to do that.

What we also need to be able to do is think about emissions reductions from the context of the maximum reduction of emissions from the atmosphere for the minimum cost to society. That unlocks an entirely different set of choices rather than we look at things in isolation.

Mr. BENTZ. So you mentioned earlier, many people talk about the need to do something about permitting, and I think your phrase

was these types of activities receive, quote, “a high level of scrutiny,” which is the understatement of the entire morning—or afternoon.

What would you specifically state that we should be doing in the permitting space? And I have a lengthy background in this area, but I want to hear from you guys. What is it that we should be doing when it comes to making permitting work better.

Ms. EVERSOLE. Yes. Three things in particular.

We need to avoid the further weaponization of NEPA, of the Clean Water Act, because those provisions are being used to stop energy projects.

Mr. BENTZ. You mean the abuse by lawyers taking this—

Ms. EVERSOLE. Correct.

Mr. T4Bentz [continuing]. And bringing you into court and keeping you there for the rest of your life—

Ms. EVERSOLE. Correct.

Mr. BENTZ [continuing]. In discovery and all of that?

Ms. EVERSOLE. Correct.

Mr. BENTZ. That is one. What is the second?

Ms. EVERSOLE. Correct.

And then judicial reform. Anyone, anywhere, anytime can stop these projects. We have to end the ability of the courts to stop rational energy development, both of oil and gas but also of projects across the economy.

Mr. BENTZ. So I hate to interrupt you, but I left the Judiciary Committee to come to this committee. I am now on this committee. So telling me to go back to Judiciary, I am not going to do it.

Ms. EVERSOLE. We need your help everywhere, Congressman.

Mr. BENTZ. OK. Thank you. Yield back.

Mr. LATTI. Thank you. The gentleman yields back.

And the Chair now recognizes the gentleman from New Jersey's Eighth District for 5 minutes for questions.

Mr. MENENDEZ. Thank you, Chairman.

Thank you, Ranking Member.

Mr. O'Connor, I want to talk about the funding freeze that the President put in place for investments from the Inflation Reduction Act and the Infrastructure Investment and Jobs Act.

To be clear, the freeze is illegal, and litigation has put a stop to it for now. But what should be problematic to all of us is the fact that this illegal freeze would prevent investments that would improve American families' lives, provide relief to our constituents with respect to their utility bills, and do exactly that which we are talking about here today, investing in America's energy dominance.

Further, we have heard a lot from our colleagues across the aisle and from the President about affordability being a top concern. But now the President and Republicans in Congress are supporting actions that will make people's monthly bills more expensive.

Additionally, there are reports of companies that were set up to take advantage of these investments having to lay off employees because of the freeze.

Mr. O'Connor, could you talk about the negative impacts of this freeze in terms of the direct impacts to Americans?

Mr. O'CONNOR. Yes. Thank you for the question.

It is directly impacting Americans, and it is directly impacting American companies, I think, as folks have noted in the course of previous questions, a number of efficiency rebates, weatherization programs, and there are a number of programs that directly benefit Americans by helping them save on their electricity and other costs.

We are also seeing the impact to American companies now, and that is going to have a flow-down effect to American consumers. If we don't bring new generation online, if we put pauses on hydrogen hubs, which I know—I think Ms. Fletcher has one in her district—if we put pauses on other sources of Federal funding, then there are going to be fewer jobs at these projects, fewer carbon capture projects, fewer SAF projects, and people are going to feel it directly in their pocketbooks.

Mr. MENENDEZ. I appreciate that.

You mentioned in your testimony that you represent energy developers, the ones actually going out and building the infrastructure that we rely on. But I am worried about the message that has been sent over the last week.

If energy developers are hearing that they can't trust a contract with the Federal Government for a Federal obligation, will that make them more or less likely to invest in the United States?

Mr. O'CONNOR. Yes. Less likely.

Mr. MENENDEZ. Thank you.

And will that drive prices up or down for consumers?

Mr. O'CONNOR. It will drive prices up.

Mr. MENENDEZ. Thank you.

Throughout his first few weeks in office, President Trump has issued multiple Executive orders to establish the United States as the global leader in energy dominance. These Executive orders largely focus on fossil fuels, while gutting key programs that invest in renewable energy, such as wind and solar.

Mr. O'Connor, if we truly want to seek energy dominance, wouldn't we want an all-of-the-above strategy that would require investments in clean and renewable energy?

Mr. O'CONNOR. Yes.

Mr. MENENDEZ. Thank you.

And as we move forward, should energy dominance come at the expense of ongoing investments in environmental justice?

Mr. O'CONNOR. No.

Mr. MENENDEZ. Thank you.

Because I am concerned that certain communities, like the ones that I represent in Elizabeth and the Ironbound of Newark, which have suffered the environmental injustice that has existed for far too long, are no longer part of the equation as we think about how we move forward.

I want to ensure that their interests are continuously of consideration and in mind as we move forward.

Switching gears slightly: Just this week, the New Jersey Board of Public Utilities announced they will not be awarding a bid on new offshore wind development, citing uncertainty in Federal actions as part of their reasoning. Now the timeline for offshore wind projects in New Jersey is uncertain due to the President's Execu-

tive order that halted the issuance of approvals, permits, and loans for onshore and offshore wind projects.

Mr. O'Connor, how can uncertainty during administration changes, like the one we are seeing right now, impact our ability to plan long term for energy projects?

Mr. O'CONNOR. Yes. I think one consistent theme you have heard from the witnesses here is that large-scale energy infrastructure projects are time intensive, they are resource intensive, and you need to have some element of regulatory certainty. It certainly doesn't help when you have an administration come in and pull the rug out from under companies.

And so I think, with respect to the offshore wind industry in particular, this is an industry that has invested over \$6 billion at this point in manufacturing facilities in the United States to make cables, foundations, and other components.

They have invested more than \$2 billion in shipyards, including in Florida, Louisiana, Michigan, Mississippi, Pennsylvania, Texas, and Wisconsin, and created 24 new U.S. offshore wind vessels.

So I think we are seeing the flow—there are both the direct impacts, because of pausing these offshore projects, but there are also going to be flow-down impacts to a lot of communities, because their shipyards and those manufacturing facilities are relying on this industry, many of whom, frankly, are in the oil and gas industry and making investments in offshore.

Mr. MENENDEZ. And those investments go directly into our communities. They employ our constituents. Is that correct?

Mr. O'CONNOR. Correct.

Mr. MENENDEZ. So in the last 2 seconds, what long-term impacts could that have on our ability to be a global leader in energy?

Mr. O'CONNOR. Yes. It is going to have a deleterious impact.

Mr. MENENDEZ. Thank you all for your testimony.

Yield back.

Mr. LATTA. The gentleman's time has expired.

And the Chair now recognizes the gentleman from Colorado's Eighth District for 5 minutes for questions.

Mr. EVANS. Thank you, Mr. Chairman.

Thank you, Ranking Member.

And thank you to the witnesses for coming today.

Mr. Arnold, as you know, there has been a lot of talk in our home State of Colorado around mandatory electrification. In fact, just last month, the Colorado Public Utilities Commission approved the Black Hills plan, which implements first-in-the-Nation electrification mandates.

Now, you and I both know that 80 percent of Coloradans support policies that preserve voluntary access to their choice of energy, all-of-the-above energy policies, including natural gas.

So to get a clearer picture of the impact of mandatory electrification, just a couple quick questions for you.

A recent study from Coloradans for Energy Access found that these electrification mandates could mean that the average electric bill for the average Coloradan goes to \$800 a month.

Would your brothers and sisters in Local 208 be able to maintain their current standard of living if utility bills were that high?

Mr. ARNOLD. Thank you for the question.

The quick answer is no, they wouldn't be able to afford those types of bills.

Mr. EVANS. And then can you talk a little bit about the impact that mandatory electrification would have on the ability of your brothers and sisters in Local 208 to get good-paying jobs or to welcome new members in through your very robust apprenticeship program?

Mr. ARNOLD. So it is certainly going to have a tremendous negative effect. We have a section of our membership that does nothing but gas distribution work every day, all day, and to lose those opportunities and those paychecks would be severely negative effects on those brothers and sisters.

Mr. EVANS. And then finally, in your experience as a pipefitter and a union member, do you find that policies like mandatory electrification benefit everyone, or do they favor high-income earners who get the bulk of the benefit over middle-class folks?

Mr. ARNOLD. Thank you for the question.

Certainly we always take a look at it from the jobs piece because that is our livelihood and how we support our families.

But as you noted, we are all consumers as well. And when we look at those programs—and the discussions in Colorado, I think, have lacked the equity piece—when you provide support to folks, typically it is going to be the wealthier Coloradans that get to take advantage of those programs.

And at the same time, that means that we are asking poorer Coloradans to support the financial requirements of the existing systems that are still badly needed and utilized when it comes to things like gas distribution infrastructure.

Mr. EVANS. Thank you.

Ms. Eversole, moving to you.

I represent much of the Denver-Julesburg Basin in Colorado, which is one of the most prolific energy-producing regions in the country.

Unfortunately, State and Federal regulations have caused countless jobs to leave my district in favor of other parts of the country that are more welcoming to this critical industry.

One of the primary reasons I ran for Congress was to protect the energy-heavy livelihoods of the men and women who call Colorado's Eighth District home.

Now, we keep hearing that the U.S. is producing record amounts of energy. But it is not enough. We just heard commentary about what we are importing from Canada.

Specific to my area, United Power, one of my local electric utilities, is projecting that they are going to need triple the amount of power in 10 years that they have now, and that is after doubling it in the last 10 years. And so that means relying on all-of-the-above energy policies, including natural gas.

And so the question to you is, What can we do as Federal policymakers to create an environment that is more hospitable to domestic energy development, particularly around oil and gas, and particularly in difficult States like Colorado?

Ms. EVERSOLE. Congressman, thank you very much for your question.

One thing that we haven't talked a lot about today is about 25 percent of exploration and production for oil and gas takes place on Federal lands and in Federal waters.

And the last administration, unfortunately, last year alone was the first year since 1966 that there wasn't a lease sale in Federal waters. And it really—it just doesn't have to be that way.

We need to have access to our raw materials, but we can do it in a way that is responsible, because the American consumer is the one who benefits through affordable, reliable, and cleaner energy.

Mr. EVANS. Thank you.

And then something that is specific to Colorado but I think replicated around the country. In southern Colorado we have this thing called coal bed methane seeps. The vapor pressure underground literally seeps raw methane into the atmosphere.

Is there anything that Congress can do to better incentivize methane practices while boosting our domestic energy production?

Ms. EVERSOLE. Absolutely. Our industry is focused on ensuring that not only does methane stay in the pipes but that we are able to detect it. And so we look forward to working together with you and other members of this committee to ensure that we are able to remove as much methane as possible from the atmosphere.

Mr. EVANS. And when you are able to harness that methane from the methane seeps, does that reduce the methane that seeps into the atmosphere naturally?

Ms. EVERSOLE. Indeed it does.

Mr. EVANS. Thank you. Yield back.

Mr. LATTI. The gentleman yields back the balance of his time.

And the Chair now recognizes the gentleman from Texas' 12th District for 5 minutes for questions.

Mr. GOLDMAN. Thank you, Mr. Chairman, very much.

Thank you, panelists, for being here.

Ms. Eversole, you talked about permitting. In 4 years of being the Texas House chair of energy, I never heard of that being a problem in Texas. Thank you, Railroad Commission of Texas. What can we do better federally to help with the permitting process?

Ms. EVERSOLE. I would commend the API five-point policy roadmap, which articulates in great detail some of the specific changes to permitting reform, but, in particular, focusing on just stopping the weaponization of the Clean Water Act, or of NEPA, for example. And we have to stop using the court as a way to stop these energy projects.

We have got to get shovels in the ground. It helps American workers. And this, unfortunately, isn't unique just to oil and gas. We have heard it across the entire energy spectrum. At the end of the day, we need more energy, not less, and I think we ought to build it here in the United States of America.

Mr. GOLDMAN. Thank you.

And I will pivot right to Mr. Arnold. Let's talk about jobs. I know if an 18-year-old graduates high school and moves to Mr. Pfluger's district and gets a job in the oil fields, what that salary pays.

What do they pay in Colorado? If you are an 18-year-old, you graduate high school, you move out to where your world is, what is the starting salary job? And where can they be in 5 to 10 years?

Mr. ARNOLD. Thank you for the question.

If you grow up in our part of the country, you are going to start as a first-year apprentice making \$23 an hour, plus health benefits and access to free career training. At the end of that 5-year apprenticeship program, right now, currently, a journeyman or woman pipefitter is going to maybe 47.50 an hour, plus health and retirement benefits on top of that, which means spouses, dependents—nothing is coming out of the paycheck to provide those things.

Typically, we are going to be somewhere around in the 90th percentile for hourly wage earners. So it is truly a path to the middle class.

Mr. GOLDMAN. Yes. Thank you. And beyond. I mean, in west Texas, 5 to 10 years, you can be making well over six figures. It certainly pays to be in the industry, there is no question about it, especially in Texas.

Mr. O'Connor, I am not bashing any of these worlds, but you talked a number of times on several things. I just want to ask: Solar panels, are those 100 percent dependable?

Mr. O'CONNOR. Do you mean, do they have 100 percent capacity factor?

Mr. GOLDMAN. No. Are they 100 percent? Do they work all the time?

Mr. O'CONNOR. Like almost everything in the world, no, they do not work all the time.

Mr. GOLDMAN. OK.

Wind turbines, do they work 100 percent of the time?

Mr. O'CONNOR. Same answer. They do not work 100 percent of the time.

Mr. GOLDMAN. OK.

And, when natural gas flows, are we 100 percent dependent on that?

Mr. O'CONNOR. No. Natural gas power plants have outages as well.

Mr. GOLDMAN. The power plants have outages but not—

Mr. O'CONNOR. And there are freeze offs at the well head; there are pipeline OFO orders. So the answer is no for probably every technology.

Mr. GOLDMAN. OK. And what about nuclear energy?

Mr. O'CONNOR. Nuclear has a very high capacity factor, but as we saw in France over the last few years, the answer is also no.

Mr. GOLDMAN. OK.

But to kind of dispute what some people have said today, if we had more pipelines, if we had more gas production, more oil production, would prices be lower or higher?

Mr. O'CONNOR. Yes, they would be lower.

Mr. GOLDMAN. Thank you very much. I appreciate it.

Mr. Chairman, I yield back the rest of my time.

Mr. LATTA. Thank you. The gentleman yields back the balance of his time.

The Chair now recognizes the gentlelady from North Dakota for 5 minutes for questions.

Mrs. FEDORCHAK. Thank you, Mr. Chairman, and, to our esteemed guests today, thank you for your time and for your patience in being here for a long time without a break.

So my name is Julie Fedorchak. I am from the State of North Dakota, and I am very honored to be from a State that is home to nature's first energy storage system, 700 years of coal. It is the third-largest producer of oil, has the lowest gas and electric utility rates in the country, and also gets 30 percent of our utility usage from renewables.

For the last 12 years, I have been a utility regulator in my State, which means I oversaw the rates and service of five monopoly utility providers, permitted \$15 billion worth of new pipelines, wind farms, gas-processing facilities—you name it, we installed it, \$15 billion worth. So I am very familiar with permitting challenges.

And, also, I worked in the energy markets. The one thing that 12 years taught me is that this is all a heck of a lot more complicated than anybody sitting up here or down there realizes. And the people we ought to be listening to are the people running the electric grid. Those people are telling us we have a problem, a big problem.

Two-thirds of our country is at an elevated risk for not meeting power demand today. That doesn't mean like in 15 years, when we have electrification or when we have AI. That is today. We could be sitting here without lights on.

So we have to get real about this issue, and I have a couple of questions.

Mr. O'Connor, in your written testimony, you called the Inflation Reduction Act and the Infrastructure Investment and Jobs Act the, quote, "bedrock of our country's energy dominance agenda." Based on what I just told you, I don't share that perspective.

You cite a study that estimates between 146 and 308 gigawatts of renewable capacity will be added to the grid by 2030 as a result of IRA tax credits.

The MISO transmission region, which I am intimately familiar with and serves most of my State, is expected to see a net 50 gigawatt increase in installed capacity by 2042 but a net 30 gigawatt decrease in accredited capacity.

In your work, are you focusing on accredited capacity or installed capacity? And what should we be focusing on?

Mr. O'CONNOR. First of all, thank you for the question. And, of course, I was going to get a question like that from the former head of NARUC. So it is a pleasure to speak with you here today.

The reference study, which I think was from rhodium, I believe was just net capacity, not accredited. I didn't apply the LCC values and derive what percent of the capacity would be based on the LCC or anything like that.

Mrs. FEDORCHAK. Do you think people generally understand the difference when you talk about gigawatts of capacity coming online, whether it is installed or accredited and what the difference is?

Mr. O'CONNOR. I have never mentioned accredited capacity and had anybody, other than an energy industry professional, pay attention. So I would say no.

Mrs. FEDORCHAK. Is that part of the problem, do you think, in why we are facing the challenges today, that we are at risk in two-thirds of the country of not having enough accredited capacity to meet demand?

Mr. O'CONNOR. I don't. I think if the question is not specifically about distinctions between accredited and just capacity, I think people do understand that different generation resources have different attributes. I think there has been quite a bit of discussion here today about that and in general.

So I would say generally I think it is a concept people understand. I don't really think it forms the basis for concerns we might have in MISO or other regions.

Mrs. FEDORCHAK. The IRA was passed in August of 2022, and we have had cumulative additions of 20.7 gigawatts since then and cumulative retirements of 42.9 gigawatts. So this is a path that is not sustainable. The bar graphs for installed capacity versus accredited capacity are going in opposite directions, and we simply won't have enough power to meet demand if we don't fix that.

So thank you for your time here. There are 15 seconds if you want to answer.

Mr. O'CONNOR. Oh, sure. I was just going to note that, right, the IRA passed in 2022, and, obviously, it takes several years to develop a lot of projects. So I am not sure that we can look at the first 2 years after passage of the bill as reflective of long-term capital investments that take a few years to interconnect.

Thank you.

Mrs. FEDORCHAK. Thank you. I yield. Thanks, Mr. Chairman.

Mr. LATTA. Thank you very much. The gentlelady yields back.

And the Chair now recognizes the gentleman from New York's 23rd District for 5 minutes for questions.

Mr. LANGWORTHY. Thank you, Mr. Chairman.

A lot has been said today about the need to take a whole-of-government approach to meet the rising demand of energy instead of arbitrarily picking winners and losers. Unfortunately, my State, New York, has gone in the opposite direction, imposing its version of the Green New Deal, the Climate Leadership and Community Protection Act, CLCPA, to shut down natural gas generation and use.

For years, my State has prohibited large-scale hydraulic fracturing despite sitting atop—my district sits atop the Marcellus Shale, which is estimated to contain 214 trillion cubic feet of recoverable natural gas.

New York has further weaponized its regulatory apparatus to block much-needed infrastructure projects like the northern access pipeline, which would have provided near 500 million cubic feet per day of Appalachian gas to the Northeast.

So, Mrs. Eversole, how can we utilize the President's Executive orders to unleash energy in areas of the country, like the Northeast, that desperately need it? And how do we ensure that bad energy policies in one State like New York do not stand in the way of energy reliability for the rest of the country?

Ms. EVERSOLE. Congressman, thank you very much for your question.

I think that the contrast in State energy policy, in particular, is really not as stark as it could be between what you see in Dr. Joyce's district versus across the border in New York. Pennsylvania enjoys the benefits of having a pro-energy State and a pro-energy environment. New York is the exact opposite.

What we could do is we could build pipelines into the State of New York, bringing that gas to the market. Energy prices, electricity in particular, are 42 percent higher than the national average in the State of New York. And it really doesn't make any sense.

In fact, it also is impacting the environment because we are having to get that energy from other sources that are higher emitting. And so we need to get back to our principles here, which is a diversified source of energy is better for American consumers.

And I would just continue to point out that America's oil and natural gas industry stand ready to be part of these solutions.

Mr. LANGWORTHY. Well, thank you very much, Ms. Eversole.

And, Mr. Arnold, with several States like New York and localities like Denver attempting to ban natural gas use, what impact does this have on jobs in this sector? What trickle-down effect does this have on housing affordability and other issues that are front of mind for Americans right now?

Mr. ARNOLD. Thank you for the question.

The very simple answer is any time you take project opportunities off the table, then you lose the jobs that those projects provide.

In our local, 110 of our members do nothing but gas distribution work all day, every day. Whether that be distribution pipeline work or that be gas meter replacement, gas meter bump out, that is their job. And, if you remove the ability for utilities to provide that gas, we lose all those jobs and all the economic benefit they provide.

Mr. LANGWORTHY. Thank you.

And, finally, I would like to note recent reports I have been hearing about a data center project in upstate New York that appears to have been held up by my State's regulatory agencies. I would like to note that the environmental activists across the country have already begun scapegoating new energy-intensive technology like AI, and artificial intelligence is standing in the way of their Green New Deal agenda.

So, Mr. McCown and Ms. Eversole, do the opponents have it wrong? Can we develop energy infrastructure and do so in a way that meets sustainability goals but also the needs of energy-intensive industries like AI? And can we do it competitively if we have the right regulatory framework?

Mr. MCCOWN. Absolutely, Mr. Langworthy. Thank you for the question.

Yes, they do have it wrong because we can walk and chew gum at the same time. We can reduce emissions while expanding our economic base and expanding the tax base, quite frankly.

You know, one of the frustrating parts is this is a direct assault on interstate commerce. There is a real question of whether or not, frankly, New York can prohibit interstate transportation of commodities to other States. It is, you know, it is the tail wagging the dog.

Mr. LANGWORTHY. Thank you.

Any thoughts, Ms. Eversole?

Ms. EVERSOLE. Look, I would argue that developing AI and other types of technologies in this country is a geopolitical and strategic advantage. We have seen the headlines. We have seen the market reaction of some of the announcements from the Chinese.

America should own AI. America should lead. It creates jobs. And the American energy industry will be there to support the load growth required to meet that technology.

Mr. LANGWORTHY. Thank you very much for all of your thoughtful testimony.

I look forward to working with my colleagues here on the Energy and Commerce Committee. You achieve these goals.

And I thank the witnesses for their time today.

And, with that, I yield back, Mr. Chairman.

Mr. LATTA. The gentleman yields back the balance of his time.

The Chair now recognizes the gentleman from South Carolina's Seventh District for 5 minutes for questions.

Mr. FRY. Thank you, Mr. Chairman.

And thank you for our witnesses for being here. We are at the end of a long day.

I think Dr. Joyce will wrap it up. So we are kind of the cleanup committee, Doc, but that is OK.

Ms. Eversole, in what ways did the Biden administration weaponize? You used the term "weaponization." In what ways did they weaponize our government against energy producers?

Ms. EVERSOLE. You know, unfortunately, we saw in the last administration that there was an all-of-government approach to really favor certain forms of energy but disfavor others. And I think what we have all discussed today on a bipartisan basis is that what we really need is all of the above.

We have such increasing demand not only for—from the technological growth, but the fact of the matter is, just in the next couple of decades, we are going to add 2 billion people to this planet.

I would also note that there are 750 million people in this world that live in energy poverty, and it doesn't have to be that way.

Mr. FRY. In the document you submitted, API's recommendations, they reference the Biden-era NEPA rules. What were those, and how did they impact the industry?

Ms. EVERSOLE. I think this is an example of where the congressional intent was really not followed through in the regulation, and I think we need to go back, and we need, as part of fundamental permitting reform, we really need to revise the NEPA statute so they can't be weaponized in the courts, but they, rather, are a check to ensure that these projects, regardless of the type of energy, meet high environmental standards.

But, at some point, when we get through that, they have got to be given the green light, and we have got to get shovels in the ground. It helps the 11 million men and women who work in and around this industry but also helps the American consumer.

Mr. FRY. Thank you.

Mr. McCown, the Biden administration paused LNG exports. They canceled the Keystone XL pipeline. They canceled thousands of acres of oil leases. Did actions like these harm our energy production?

Mr. MCCOWN. They absolutely do. We have heard a lot above the uncertainty and temporary pauses and moratoriums that have been in effect for just a couple days. You know, when you get disruptors, you are going to get disruption. You are going to get chaos, and then it is going to level out pretty quickly.

That is very different from what we were talking about during the Biden administration, that the LNG export pause—it was really a de facto ban. We all know that, right? The Keystone Pipeline was studied to death. It took twice as long as it took America to win World War II, yet we couldn't figure out if it was in the national interest or not.

You know, let's be honest. If people are against pipelines, then fine, they are against pipelines. But, when you talk about using levers of government for politics, I think we have good examples.

Mr. FRY. That is a prime example of that.

Now, similarly, President Trump in his early days did an Executive order that streamlined the Federal procedures for permitting and construction of interstate energy transportation. Did that help? Will that help and boost energy production in this country?

Mr. McCOWN. Well, it can help with the caveat being that President George W. Bush put in an Executive order to facilitate the cross-border construction of infrastructure facilities, and that was what was used to hold up the Keystone Pipeline, instead of what it was intended to do, which was to streamline and accelerate the process.

Mr. FRY. Thank you.

Mr. Arnold, I will go to you. You, in your testimony, said that the process—and I will paraphrase briefly for time—coal-fired plants, the permitting takes months while, in the United States, it takes several years. However, it is clear that we must move much faster on permitting and reduce the ability of fringe groups to leverage seemingly endless choke points to punish companies for undertaking projects.

Have you, sir, seen this in Colorado in your industry?

Mr. ARNOLD. Thank you for the question.

Yes, we have seen projects, unfortunately, you know, run into a lot of uncertainty, and typically, when that has happened, you know, the chances of being realized and our ability to actually have pipefitters go onsite—

Mr. FRY. You are not actually working, right? I mean, that is kind of the challenge, at least in your industry, is that, when these challenges occur, you are not actually working. Your guys, men and women, are not working.

Mr. McCOWN, briefly to you. Who are these people that gum up, and who funds these individuals that gum up the permitting process?

Mr. McCOWN. Well, you know, we have a couple different truths in our country. One is, if you don't like a particular kind of energy product and you can't keep it in the ground, right—keep it in the ground was the modality for many years—then you move to the infrastructure, and you try to attack the infrastructure during the North Dakota access.

Speaking of North Dakota, we saw people from all over the country showing up there, flying in, using other resources. I am not exactly sure who is funding this.

Mr. FRY. But it is usually not the aggrieved party, at least on the paper of the permit challenge, right?

Mr. McCOWN. It is not.

Mr. FRY. Somebody else is funding this, is that correct?

Mr. McCOWN. It is not the local opponents. It is much larger.

Mr. FRY. All right.

And, when we talk about—well, I see my time is out. And I will probably submit questions to you on how we go about specific actions on reforming the permitting process.

But thank you, guys.

With that, Mr. Chairman, I yield back.

Mr. LATTA. Thank you very much. The gentleman's time has expired and yields back.

The Chair now recognizes the vice chair of the full committee, the gentleman from Pennsylvania, for 5 minutes for questions.

Mr. JOYCE. Thank you, Chairman Latta.

The title of this hearing, "Powering America's Future, Unleashing American Energy," could not be more appropriate for the first hearing of the Energy Subcommittee. We are now living in the new Golden Age of America, where American production can finally reach the possibilities that we have so often discussed in this committee.

With this growth in production and by unlocking the energy sources that are under the feet of my constituents, we can provide affordable energy to Americans and cut the unbearable inflation that American families continue to endure. We can continue to have a large and robust chemical industry so that we have products that we need in the 21st century.

We can expand well-paying, highly skilled jobs in the energy sector so that Americans have great economic opportunity. We can ensure that our country has the power to prevail in the emerging competition in artificial intelligence.

And, finally, we can become not just energy independent but energy dominant on the global stage by providing reliable and cleaner energy to our allies and stifle America's enemies under President Trump's strong leadership.

We talk about unleashing American energy. We have to take an overview. This includes, yes, drill, baby, drill, and it also includes build, baby, build. We have to have the infrastructure to transport and to refine the energy that is produced right here in America and get that energy to market.

Ms. Eversole, my constituents are facing an effort to limit their choice of vehicles. California has tried to abuse its waiver process in the Clean Air Act to institute a ban on internal combustion engines so that 40 percent of Americans will ultimately be affected by their choice in the automobile market.

Why is it that the California ACC2 waiver issue is a problem for all of America?

Ms. EVERSOLE. This is a huge problem. Not only does what California chooses and how it impacts consumers in California, but there's also more than a dozen States that follow the lead of California. And this is bad for American consumers.

I am not sure why the State of California gets to be the de facto regulatory body for so many States in this country. Those citizens didn't get to vote for the elected individuals in the State of California, and what we saw in the last election was a full and complete rejection of these heavy-handed mandates.

The American consumer should be able to choose. We support free markets in this country, and this should not be an exception to that rule.

Mr. JOYCE. So how significant is it, Ms. Eversole, that action by the EPA constitutes a rule?

In the Biden administration's EPA and the GAO, they have attempted to declare that the EPA's granting of a waiver to be a dictatorial order to prevent the use of the Congressional Review Act. In this specific situation, do you agree that the Biden administration should have submitted the action to Congress and that it is here in Congress and in Congress alone that the power to decide whether the EPA action is a rule should be subject to resolution or of disapproval?

Ms. EVERSOLE. Absolutely. This is certainly the jurisdiction of the Congress, and the courts are currently disputing the efficacy of the rule under the prior administration.

We do appreciate, however, President Trump's Executive order on day one to roll back those so-called EV mandates.

Mr. JOYCE. And I agree. I look forward to working with our new EPA Administrator Lee Zeldin to overturn this waiver.

Mr. McCOWN, if the Commonwealth of Pennsylvania were a country, we would have one of the largest proven natural gas reserves in the entire world. Yet we run into issues getting this energy to market. The lack of pipeline construction in the Northeast and the lack of significant LNG export facilities restrict natural gas production.

How would building the proper infrastructure unleash the power of Pennsylvania, unleash the energy sources that are under the feet of my constituents?

Mr. MCCOWN. Yes, absolutely. I mean, you know, energy is that critical component to our country, to the economy. Next to raw materials and the cost of labor, it is the winner or loser when it comes to creating an economy, to creating industry. We need Pennsylvania's gas. We need it throughout the country, and it needs to be made available for export.

That requires additional infrastructure. It requires pipelines. And, as I mentioned earlier, we have some States that want to thwart, prohibit, stop, halt the lawful interstate transportation of commodities, in this case natural gas, and that needs to be stopped.

Mr. JOYCE. Thank you for your comments.

Mr. Chairman, again, thank you for allowing me to waive on. And I yield the balance of my time.

Mr. LATTA. The gentleman's time has expired.

And the Chair, seeing no other Members wishing to ask questions, on behalf of all the members of the subcommittee, we want to thank all of our witnesses for appearing today.

Members may have additional written questions for you all, and Members are advised they have 10 business days to submit additional questions for the record. And I ask that the witnesses submit their responses within 10 business days upon receipt of the questions.

I ask unanimous consent to insert into the record the documents included on the staff hearing documents list.

Without objection, that will be the order.

[The information appears at the conclusion of the hearing.]

Mr. LATTA. And, without objection, this subcommittee is adjourned.

[Whereupon, at 1:40 p.m., the subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

**U.S. House Committee on Energy and Commerce
Subcommittee on Energy
“Powering America’s Future: Unleashing American Energy”
February 5, 2025
Documents for the Record**

1. A letter from The Marks Collaborative to the Honorable Joseph R. Biden and the Honorable Michael S. Regan, January 17, 2024, submitted by the Rep. Lee.
2. A letter from the Digital Power Network addressed to the Subcommittee on Energy, submitted by the Majority.
3. A letter from the Industrial Energy Consumers of America addressed to Chairman Latta and Ranking Member Castor, submitted by the Majority.
4. A letter from the National Association of Convenience Stores addressed to Chairman Latta and Ranking Member Castor, submitted by the Majority.
5. A letter from Fidem Energy addressed to Chairman Latta, Chairman Guthrie, Ranking Member Pallone, and Ranking Member Castor, submitted by the Majority.
6. A document from Colorado Energy Office about frozen funds, submitted by Rep. DeGette
7. An article from Heatmap entitled “Trump is about to Wreck U.S. Oil Refineries,” submitted by the Minority
8. A letter from eight trade associations addressed to the Honorable Mike Crapo, the Honorable Jason Smith, the Honorable Ron Wyden, and the Honorable Richard Neal, January 7, 2025, submitted by the Minority
9. A report from Aurora Energy Research, entitled “Impact of reform to clean energy tax credits on investment, jobs and consumer bills, submitted by the Minority.¹
10. A letter from the American Exploration & Production Council, addressed to Chairman Latta and Ranking Member Castor, submitted by Rep. Pfluger.
11. A statement from Secretary Granholm, submitted by Rep. McClellan

¹ The report has been retained in committee files and is included in the Documents for the Record at <https://docs.house.gov/meetings/IF/IF03/20250205/117867/HHRG-119-IF03-20250205-SD003.pdf>.

James "Spider" Marks
Retired U.S. Army Major General
President of The Marks Collaborative
Leesburg, Virginia

January 17, 2024

The Honorable Joseph R. Biden
President of the United States
1600 Pennsylvania Avenue NW
Washington, DC 20500

The Honorable Michael S. Regan
Administrator of the Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Dear President Biden and Administrator Regan,

In light of your recent policy determinations to incentivize rapid electric vehicle (EV) adoption in the United States, we are writing to express our concerns with how these choices will negatively impact our national security given the dominance by the People's Republic of China (China) in EV supply chains.

There is no doubt EVs will play a significant role in diversifying America's transportation systems. Yet we believe your plans will rush our transition to EVs before the infrastructure necessary to support it is in place. This trajectory will only position the U.S. to become more reliant on China for critical minerals and manufacturing that are necessary for the rapid expansion of EV markets this administration envisions. And even more concerning is the fact that this reliance hinges upon China's goodwill to export those minerals and manufactured goods to the U.S. This will undoubtedly open the U.S. up to economic manipulations by China, identical to what Russia is doing with Ukrainian grain exports, and a major threat to our national security. We do not believe now is the time for us to make ourselves vulnerable to such easy political pressures.

Your EV plans go far beyond the provisions of the 2021 infrastructure law and the 2022 Inflation Reduction Act, with regulatory initiatives in the queue that will only intensify America's vulnerability to political interference by the Chinese Communist Party. Last year, the Environmental Protection Agency (EPA) announced a [proposed regulation](#) to establish strict tailpipe emissions regulations on gasoline and diesel-powered vehicles that would force up to two-thirds of new vehicles sold in the U.S. to be electric by 2032.

At a nearly tenfold increase over current electric vehicle sales, this proposed rule is a clear example of tone-deaf policymaking that favors the geopolitical advantages currently held by China in this market. We would be exposing our economy and national security interests if we consciously link America's economic and transportation stability to the enterprise of a country [you yourself described](#) as an economic "ticking time bomb."

Though a deliberate and methodical strategy, China has established a formidable foothold in both the up-and downstream segments of electric vehicle value chains. [Chinese foreign direct](#)

[investment in the EV market](#) surged more than forty-fold from \$605 million in 2016 to over \$24 billion in 2022.

Currently, China is possessing around 36 percent of the world's known rare earth reserves, controls more than 70 percent of the world's extraction capability and nearly 90 percent of the world's processing capacity. This is significant as EVs use about six times more rare minerals than conventional cars because of the batteries. [China has worked for decades to develop a strategic dominance](#) over these crucial and rare minerals.

Yet because the EPA's proposed rule will mandate more EVs in American garages, it will also effectively mandate greater American household dependence on the cooperation of the Chinese.

The International Energy Agency (IEA) recognized this in July, releasing its inaugural [Critical Minerals Market Review](#). The analysis points out through rigorous and detailed analysis the overwhelming market dominance China holds over critical minerals globally and by that, their control over the projected growing demand, supply, and investment for these materials.

In the downstream, [while the U.S. makes about one percent of the world's battery cathodes, China makes between 73 and 99 percent](#) of those cathodes, depending on the type, while also being the predominant producer of battery separators (74%), battery electrolytes (82%), and battery anodes (92%). All this on top of the fact [Chinese companies, many with direct control by the Chinese Communist Party, are attempting to expand their presence in the U.S. EV battery manufacture and assembly plants and facilities](#).

Importantly, these national security concerns are not theoretical. [On August 1, 2023, China imposed strict curbs on the exports of gallium and germanium](#) – two minerals required in EV batteries – that immediately led to a 43 percent rise in the cost of gallium and 9.1 percent rise in the cost of germanium. It's clear that China's positions in EV battery technology and manufacturing is a challenge we must address before we push ahead with electrification strategies and regulations that will artificially increase EV demand.

Investments – both private and public – separate from Chinese interference is key to combatting their foothold in the EV supply chain and strengthening American competitiveness. This should start with enabling more domestic production with a streamlined, timely, and predictable permitting process. Once our regulatory system is poised to approve new projects, we can better facilitate new ventures and investments that will allow us to begin competing and perhaps eventually supplanting the current Chinese monopoly in this unique, but crucial, market. This would include bypassing the midstream processing (refining, alloying) currently dominated by China.

[Frank Fannon, former U.S. Assistant Secretary of State for Energy Resources succinctly stated](#) the U.S. should “readjust its thinking, reassess its allies and institutions and reinvent economic statecraft”, and that this is the way free nations can “prevent China from using its market power to undercut and bankrupt mining investments at home and abroad.”

In support of U.S. national security and economic stability, we strongly encourage you to consider the current state of play in the global marketplace and pursue domestic investment and infrastructure opportunities before we pursue a rushed EV policy. Your administration can start

by reconsidering the EPA's proposed tailpipe emissions rule, which will further put the U.S. on a precarious path to dependance on China for America's EV supply chain.

Very respectfully,

James "Spider" Marks, Major General, U.S. Army (Ret)
 Robert Harward, Vice Admiral, U.S. Navy (Ret)
 Mastin Robeson, Major General, U.S. Marine Corps (Ret)
 James J. Carey, Rear Admiral, U.S. Navy (Ret)
 Thomas Magness, Colonel, U.S. Army (Ret)
 Rob Maness, Colonel, U.S. Air Force (Ret)
 Michael McKenna, Captain, U.S. Navy (Ret)
 Ike Puzon, Captain, U.S. Navy (Ret)
 Bob "Shoebob" Carey, Captain, U.S. Navy (Ret)
 Andrew "Rocky" Raczowski, U.S. Army (Ret)
 Thomas Duffy, Commander, U.S. Navy (Ret)
 Brigham A. McCown, Commander, U.S. Navy (Ret)
 Ernesto Hernandez, Major, U.S. Air Force (Ret)
 James McCormick, Captain, U.S. Army (Ret)
 Sergio de la Peña, Colonel, U.S. Army (Ret)
 Bentley B. Rayburn, Major General, U.S. Air Force (Ret)
 E.G. "Buck" Shuler, Lieutenant General, U.S. Air Force (Ret)

CC: Jeffrey Zients, White House Chief of Staff
 Dr. Lael Brainard, Director of the United States National Economic Council
 Jake Sullivan, United States National Security Advisor
 Chairman Thomas Carper, Senate Committee on Environment and Public Works
 Ranking Member Shelley Moore Capito, Committee on Environment and Public Works
 Chair Maria Cantwell, Sen. Committee on Commerce Science and Transportation
 Ranking Member Ted Cruz, Sen. Committee on Commerce Science and Transportation
 Chairman Joe Manchin, Senate Committee on Energy and Natural Resources
 Ranking Member John Barrasso, Senate Committee on Energy and Natural Resources

Chairman Jack Reed, Senate Committee on Armed Services
Ranking Member Roger Wicker, Senate Committee on Armed Services
Chair Patty Murray, Senate Committee on Appropriations
Vice Chair Susan Collins, Senate Committee on Appropriations
Chairman Frank Lucas, House Committee on Science, Space, and Technology
Ranking Member Zoe Lofgran, House Committee on Science, Space, and Technology
Chair Cathy McMorris Rodgers, House Committee on Energy and Commerce
Ranking Member Frank Pallone, House Committee on Energy and Commerce
Chairman Mike Rogers, House Committee on Armed Services
Ranking Member Adam Smith, House Committee on Armed Services
Chairwoman Kay Granger, House Committee on Appropriations
Ranking Member Rosa DeLauro, House Committee on Appropriations
Janet McCabe, Deputy Administrator for the U.S. Environmental Protection Agency
Jennifer Granholm, United States Secretary of Energy
John Podesta, Senior Advisor to the President for Clean Energy Innovation
Ali Zaidi, White House National Climate Advisor



DIGITAL POWER NETWORK

DPN Letter to the Subcommittee on Energy hearing titled *Powering America's Future: Unleashing American Energy*.

Dear Members of the Subcommittee on Energy,

Bitcoin mining facilities provide a framework for sustainable economic growth and will play a key role in unleashing American energy. Crypto mining data centers offer a unique advantage: a large flexible demand response. Unlike other industries, miners can scale energy use up or down in real time, reducing grid strain during peak demand which allows them to stabilize the grid, lower prices, and rely on a broad range of energy sources.

The computational structure of the mining process known as hashing allows the data centers to pause operations and continue when the demand is lower. When the grid is experiencing peak demand, Bitcoin miners can shut off their operations to reduce costs and stress to the grid. High demand can raise prices for consumers and makes the grid vulnerable to blackouts.

In addition to providing more economic certainty for both grid operators and energy consumers, Bitcoin data centers have begun a practice called "colocation" where they build their own energy infrastructure on site, often at the source of stranded energy that is not economically viable to deliver to market, which directly powers their mining operations. This reduces miners' reliance on the grid and keeps prices low and stable.

Miners also facilitate renewable energy adoption by consuming excess power from solar or wind resources during off-peak times. This flexible demand ensures renewable projects remain economically viable, encouraging further investment in clean energy. Many Bitcoin data centers are able to run largely on renewables and receive direct power from wind turbines, solar panels, and hydropower generators. Along with utilizing renewable energy as a power source, Bitcoin miners also mitigate methane emissions by using byproducts of oil production that otherwise would have been wasted. Two key features of Bitcoin data centers are their mobility and modularity, meaning they can capture methane emissions directly from oil wellheads and turn this into fuel rather than allowing those emissions to escape into the atmosphere.

Economically, the claim that mining offers "few jobs" dismisses its growing role in revitalizing communities. Miners repurpose old industrial sites, boost local tax revenue, create jobs in trades and energy management, and provide workforce training for transferable skills in data center



DIGITAL POWER NETWORK

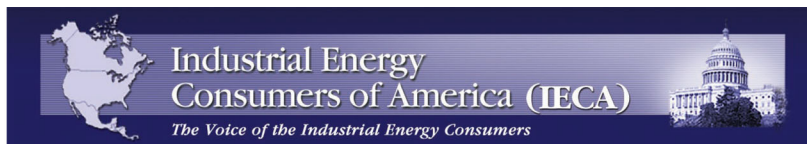
operations. Many mining companies are also adopting carbon-neutral practices, aligning with state climate goals.

All of this makes the Bitcoin mining industry unique in its ability to employ a comprehensive energy approach that reduces waste, supports the grid, and combats energy price inflation.

Respectfully,

Cody Carbone

Cody Carbone
President
Digital Power Network



1050 Connecticut Avenue, NW, Suite 500 • Washington, D.C. 20036
Telephone (202) 223-1420 • www.ieca-us.org

February 4, 2025

The Honorable Bob Latta
Chairman
House Subcommittee on Energy
Washington, DC 20515

The Honorable Kathy Castor
Ranking Member
House Subcommittee on Energy
Washington, DC 20515

***Re: Subcommittee Hearing on “Powering America’s Future: Unleashing American Energy”
– Comments for the Record***

Dear Chairman Latta and Ranking Member Castor:

As you consider legislative priorities for 2025, we urge you to implement an America “First” LNG Export Policy vs. an America “Last” Policy, which is what we have today.

One hundred percent of our members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity.

First, we urge you to take action to insulate U.S. households and manufacturing companies from the impacts of increased LNG export volumes when U.S. inventories are low. The IECA “LNG Inventory Policy” is recommended.¹ This happened during the winter of 2021-2022 and natural gas prices rose over 300 percent and to some degree this winter. LNG exports are maximized during our winter heating season, which puts upward pressure on prices of natural gas and electricity (see Figure 1).

The U.S. Department of Energy (DOE) has already approved 48 billion cubic feet per day (Bcf/d) of LNG exports, a volume equal to 50.5 percent of 2023 net supply and substantially more than exports of gasoline and crude oil.² The U.S. only exports 10 percent of its gasoline. As of December 6, 2024, the U.S. exports only 23 percent of crude production and imports an equivalent of 44 percent of production.³ For crude and gasoline, the U.S. has a Strategic Petroleum Reserve. There is no equivalent for natural gas. Consumers are completely exposed.

¹ America First LNG Inventory Policy, <https://www.ieca-us.org/wp-content/uploads/LNG-Inventory-Policy-to-Insulate-the-US-Market-from-LNG-Export-Impacts.pdf>

² Testimony of Brad Crabtree, Assistant Secretary of Energy for Fossil Energy and Carbon Management

U.S. Department of Energy, before House Committee on Oversight and Accountability, December 4, 2024, <https://oversight.house.gov/wp-content/uploads/2024/12/Written-Testimony-Crabtree.pdf>

³ Table 1. U.S. Petroleum Balance Sheet, Week Ending 12/6/2024, U.S. Energy Information Administration, <https://www.eia.gov/petroleum/supply/weekly/pdf/table1.pdf>

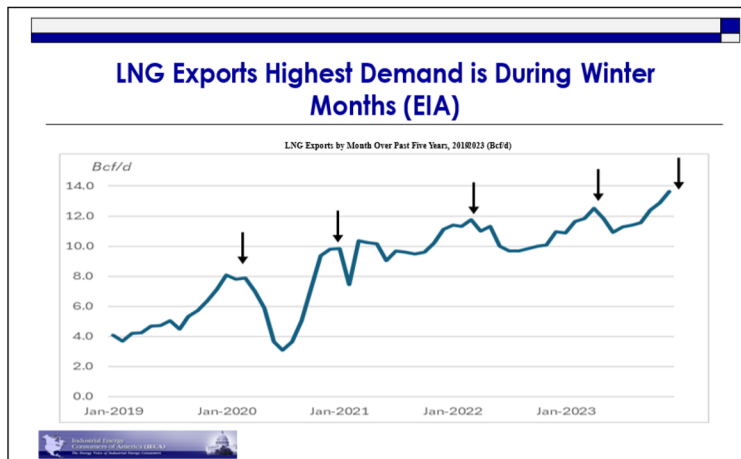
Second, we urge you not to change the Natural Gas Act (NGA) and remove consumer protections, as in H.R. 1, the Lower Energy Costs Act, Sec 10008, Unlocking Our Domestic LNG Potential. The NGA requires the DOE to determine whether applications to export are in the public interest for shipments to non-free trade agreement (NFTA) countries. About 80 percent of all exports are to NFTA countries.

Third, legislation that changes how the DOE reviews applications to export to NFTA countries should be opposed. For example, legislation that would require the use of macroeconomic modeling as a replacement for a public interest determination should be opposed. Macroeconomic models cannot model short-term market impacts and higher natural gas and electricity prices resulting from LNG exports.

Macroeconomic models do not address the fact that LNG shipments are maximized during our winter months, which puts upward pricing pressure on domestic prices. Macroeconomic models do not address the fact that LNG customers are price insensitive. They are countries and will pay any price to keep the lights on in their country.

The U.S. Energy Information Administration (EIA) has data that proves that LNG export volumes are highest during our winter peak demand season and puts upward price pressures on natural gas and electricity (see Figure 1). This is what is happening right now. In December 2024, U.S. LNG exports surged to a new high of 8.5 million metric tons, pushing the annual total up by 4.5 percent from 2023 and higher than in November 2024 at 7.75 million metric tons, contributing to soaring prices nationwide.⁴

FIGURE 1



⁴ U.S. LNG Exports Surged at the End of 2024, Irina Slav, oilprice.com, January 3, 2025, https://oilprice.com/Latest-Energy-News/World-News/US-LNG-Exports-Surged-at-the-End-of-2024.html?utm_source=substack&utm_medium=email

Page 3
Industrial Energy Consumers of America

LNG exports are insensitive to price and exacerbate structural reliability and price volatility risks for U.S. natural gas and electricity markets.⁵ As LNG exports increase, they import global market volatility – a phenomenon that the U.S. market has been insulated from historically, especially when U.S. inventories are low.⁶

We also question the wisdom of the U.S. allowing China to secure 34 long-term contracts, equal to 5.32 Bcf/d for periods of up to 25 years, a volume equal to 36.8 percent of U.S. operating capacity. This volume does not account for contracts with U.S. multinational oil companies, and it does not account for spot purchases. China has contracted more volume than any other country. China is not using LNG to displace coal. They are using it to expand their manufacturing industries to compete with U.S. manufacturers.⁷ The American Security Project report states that the “United States is sacrificing its strategic advantage in global energy markets” and China is engaged in “predatory” resale of U.S. LNG.⁸ According to the Baker Institute for Policy “Chinese buyers account for almost 25 percent of the volume of long-term contracts entered into by LNG export facilities affected by the DOE’s LNG export pause.”⁹

For the reasons above, IECA urges Congress to put in place a policy to insulate the U.S. from the negative impacts of increased LNG exports. Our recommended policy is an LNG Inventory Policy that is an America First policy.¹⁰

Sincerely,

Paul N. Cicio
Paul N. Cicio
President & CEO

cc: House Committee on Energy and Commerce

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA’s

⁵ LNG Exports do Negatively Impact Consumers: https://www.ieca-us.org/wp-content/uploads/04.17.24_LNG-Exports-Do-Impact-U.S.-Prices.pdf

⁶ Hearing on “Exposing the Truth on LNG: How the Administration Played Politics with America’s Energy Future,” https://www.ieca-us.org/wp-content/uploads/12.04.24_LNG-Hearing_House-Oversight-1.pdf

⁷ LNG is not displacing coal in China’s power mix, Institute for Energy Economics & Financial Analysis, June 25, 2024, <https://ieefa.org/resources/lng-not-displacing-coal-chinas-power-mix>

⁸ Perspective - The U.S.-China LNG Export Dilemma: Reclaiming Leverage in an Imbalanced Trade Relationship, American Security Project, October 16, 2024, <https://www.americansecurityproject.org/us-china-lng-competition/>

⁹ Is the US Preparing to Ban Future LNG Sales to China?, Baker Institute for Policy, April 25, 2024, <https://www.bakerinstitute.org/research/us-preparing-ban-future-lng-sales-china>

¹⁰ IECA LNG Inventory Policy, <https://www.ieca-us.org/wp-content/uploads/LNG-Inventory-Policy-to-Insulate-the-US-Market-from-LNG-Export-Impacts.pdf>

Page 4
Industrial Energy Consumers of America

sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Federal Energy Regulatory Commission (FERC). IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.



February 4, 2025

VIA ELECTRONIC MAIL

The Honorable Bob Latta
Chairman, Subcommittee on Energy
House Committee on Energy & Commerce

The Honorable Kathy Castor
Ranking Member, Subcommittee on Energy
House Committee on Energy & Commerce

Re: Hearing on *Powering America's Future: Unleashing American Energy Before the House Committee on Energy and Commerce, Subcommittee on Energy*

Chairman Latta, Ranking Member Castor, and Members of the Subcommittee –

On behalf of the National Association of Convenience Stores (NACS), thank you for the opportunity to offer our industry's perspective as you explore the ways in which expanding domestic energy production and delivery can advance American economic and security interests.

The convenience retailing industry is responsible for more than 80% of the motor fuel sold in the United States. As such, NACS members can and do serve as essential points of delivery for the increasingly varied sources of transportation energy—including gasoline, diesel fuel, propane, natural gas, biofuels, hydrogen, and electricity—relied upon daily by American households and businesses. A healthy trade in these diverse energy products is fundamental to our members' and their customers' ability to survive and thrive in a modern economy, and NACS appreciates the subcommittee's willingness to investigate those issues.

To that end, NACS is broadly supportive of the following policy principles that we urge you to consider as the subcommittee undertakes its work in the 119th Congress:

- **Broad and Deep Supply** – Convenience retailers' success begins with the upstream partners from whom they obtain their transportation energy products. Here, policies that foster a broad supply across both traditional and alternative types of fuel, and a deep supply capable of withstanding production or distribution constraints, ensure a steady and affordable source of transportation energy for retailers and their customers.
- **Stable and Functional Markets** – In such a highly regulated industry, our members can most efficiently deploy capital when operating within regulatory frameworks that promote certainty and transparency for market participants. This goal is best served when the rights and obligations of regulated parties are settled in a timely fashion, are administered consistently from year to year, and are subjected to competitive market forces.
- **Robust Infrastructure** – To effectively serve the motoring public, convenience stores depend on a diverse array of transportation energy infrastructure to move fuels from their source to point of sale. For vehicles powered by liquid and gaseous fuels, this means a reliable network of railways, pipelines, shipping, and trucking. For electric drivetrains, this means a resilient grid with adequate capacity, connectivity, and redundancy.

- **Level Playing Fields** – Finally, to maximize micro- and macro-economic benefits in the transportation energy arena, all channels of trade—including public and quasi-public market participants, like local governments and utility companies—must be treated on equal footing, and none should be allowed to use their market position to create or perpetuate unfair competition. Likewise, policies that pick winners and losers amongst the competing types of motor fuels—rather than setting neutral, performance-based standards toward which the market can direct its research and development capital—will discourage private investment and undermine the long-term success of American energy policy.

Thank you, again, for your focus on the critical energy issues facing our country. NACS stands ready to serve as a resource as Congress explores the solutions that will ensure a prosperous and secure energy future for all Americans.

Sincerely,

Matthew T. Durand
Deputy General Counsel

The Honorable Brett Guthrie
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Bob Latta
Chairman, Subcommittee on Energy
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515

The Honorable Kathy Castor
Ranking Member, Subcommittee on
Energy
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515

Ben Johnston

**President
Fidem Energy**

**Before the House Committee on Energy & Commerce
Subcommittee on Energy**

Washington, DC

February 5, 2025

“Powering America’s Future: Unleashing American Energy”

As President of Fidem Energy, I am pleased to have the opportunity to provide some comments for the record to the hearing “Powering America’s Future: Unleashing American Energy” before the House Committee on Energy and Commerce Subcommittee on Energy.

Fidem Energy is a small business based in East Tennessee that creates jobs and invests in the community by developing natural gas facilities at landfills across the Southeast United States. Fidem’s innovative process, which is very similar to that of traditional drilling for fossil based natural gas, turns raw landfill gas into a stable and sustainable energy source. The end result, as shown by our recently-constructed and operational facility, provides renewable natural gas back into the commercial pipeline system for use by

consumers in the region. Fidem Energy fully supports expanding our country's energy production and delivery in an effort to lower costs, fuel economic growth, and protect national security. We appreciate the opportunity to introduce Fidem Energy and join the dialogue on how companies like ours can help to "unleash American energy" and participate in being a domestic energy source for decades to come.

* * *

Renewable natural gas (RNG) is a clean and reliable fuel source that provides sustainable energy. RNG is derived from biogas – mainly methane – that is produced through anaerobic digestion and commonly emitted from landfills, wastewater treatment facilities, and other sources where the decomposition of organic waste is present. The biogas can be refined, cleaned and conditioned, and delivered to end users through injection into a commercial pipeline system or used onsite or locally.

With regard to landfill gas, processing the landfill methane allows for capturing natural emissions from a landfill that would otherwise be emitted into the atmosphere, and turned into a sustainable energy source. Typically, the geographic beneficiary would be any state, region, or municipality, and its residents, where a biogas-to-energy project is being developed. (In many cases, RNG projects are located in rural areas.) There are approximately 150 new RNG facilities under construction across the country and an additional over 250 in the planning and development stage.

At Fidem Energy¹, we focus on RNG by turning landfill gas into a clean and reliable energy source that can be injected into the commercial pipeline. Our system involves taking the raw landfill gas (approximately 50% methane unprocessed), and cleaning and conditioning the gas to pipeline quality specifications of greater than 98.5% methane. The innovative process utilizes a two-stage pressure swing

¹ Established in 2021, Fidem Energy is a developer of biogas to renewable energy projects. With over 100 years of combined solid waste experience, our team is uniquely qualified to manage the development of biogas to RNG projects. Our predecessor company, Santek Waste Services, LLC was a full-service, vertically-integrated solid waste management company, focusing on waste collection, landfill management and transfer station operations. Established in 1987, Santek operated in a nine-state region and managed over 2,000,000 tons of refuse across 28 solid waste facilities. Santek was one of the largest privately held solid waste companies in the southeast, and one of the largest privately held operators of municipally owned landfills in the country.

adsorption (PSA) technology, with the first stage removing CO₂ and the second stage removing nitrogen, achieving pipeline quality product gas. Once processed, the renewable natural gas is then injected into a commercial pipeline system for end use.

Fidem's innovative processes to capture and upgrade landfill gas is very similar to that of traditional drilling for natural gas. Each process requires dehydration and removal of contaminants to result in clean and reliable energy. At the same time, the RNG process reduces methane emissions and improves the air quality of its community.

Fidem recently constructed and began operating its first energy processing facility in Bradley County, TN, that utilizes biogas to produce energy. After years of planning, investment and construction, the RNG facility provides up to 500,000 MMBtus to the nearby interstate natural gas pipeline, serving the community as a domestic energy source for decades to come. This Fidem facility is a win-win proposition – it captures the natural emissions from a landfill that would otherwise be emitted into the atmosphere and turns it in to a stable and sustainable energy source. We are very proud of the Bradley plant, and we hope to replicate the success to other locations in our development pipeline.

Today, Fidem Energy has a portfolio of gas rights at ten different locations in Tennessee, Georgia, Alabama, Texas, North Carolina, and Arkansas. We currently have two additional RNG projects in the design and construction phase, with another two in the process of having landfill gas collection and control systems installed. With each new project, Fidem anticipates the creation of 40-60 temporary jobs per project during 2-3 year long construction and development phase. In the long term, Fidem projects would also provide five full-time employees to operate each project. Each of these projects are expected to be located in rural areas. While these numbers may be small – we are in fact a small business – there is so much opportunity for growth in this industry.

Increasing the use of RNG promotes economic growth, enhances our country's energy independence, and decreases the reliance on foreign energy. In fact, given the remaining landfill capacity across the country, RNG from landfill gas could be a domestic energy source for many decades to come.

The U.S. currently has the potential to build over 15,000 new biogas systems, which would create significant economic, environmental and energy benefits. With respect to energy benefit, RNG is produced 24/7/365 with a reliability rate of 95% (compared to average reliability rate for solar power of 25% and 35% for wind power). Biogas also supports a distributed generation of energy, which means lower transmission and transportation costs, as well as reduced impact and higher reliability of electrical grids. With respect to economic benefits, new biogas systems would create new revenue streams in rural America, building resiliency against commodity price fluctuations.

Building out the U.S. biogas infrastructure could generate at least \$45 billion in new capital deployment for construction activity, resulting in 375,000 short-term construction jobs and 25,000 permanent jobs. It could produce 33 billion BTU of renewable heat per hour (4.3 million homes), provide fuel for vehicles equivalent to 15.4 billion gallons per year (32 million vehicles), or produce 100 billion kilowatt-hours of electricity per year (9.3 million homes).

At Fidem, we recognize the importance of our country having a healthy domestic energy sector, and we hope the biogas industry can play an increasing role. We support an "all-of-the-above" outlook and agree on the need for our nation to have as many different energy sources as possible. Our country needs to become more energy dominant and secure, and less reliant on foreign energy sources. And, the stronger we can make the domestic energy sector, then we can create more jobs, improve our national security, and better ensure our energy independence.

As this Subcommittee and Committee continues to explore expanding domestic energy production, we hope that you will consider the progress being made with landfill gas. Fidem Energy is happy to be an ongoing resource and to provide additional information about our company and the RNG/landfill gas industry. We look forward to an ongoing dialogue about the ways in which Washington can support our industry and increase the sustainable energy sources in our country.

Thank you again for the opportunity to provide this written statement.

The Colorado Energy Office has been awarded over \$500M in funds from the IRA and IIJA (program list below). As of midday 2/4/25 all accounts were still frozen related to these programs.

Name of Grant	Funder (B7)	Notes	Federal Funds (B4)
GRID 40101(d) (IIJA) - 0006 Bipartisan Infrastructure Law (BIL) – PREVENTING OUTAGES AND ENHANCING THE RESILIENCE OF THE ELECTRIC GRID FORMULA GRANTS TO STATES AND INDIAN TRIBES	DOE	Grid resilience, reliability, security	\$25,608,964.00
IRA Home Efficiency Rebates 0025	DOE	home energy rebates	\$70,256,845.00
SEP Formula - Colorado 0027	DOE	flexible funding for state energy offices	\$2,825,230.00
SEP BIL - Colorado	DOE	flexible funding for state energy offices	\$6,906,270.00
IRA Electrification Rebates 0081	DOE	home energy rebates	\$69,985,890.00
IIJA (BIL): RECI Advancing Building Performance Standards (BPS) in Colorado DE-EE0010936	DOE	commercial building energy	\$2,500,000.00
IIJA (BIL): RECI Colorado Advanced Energy Code Adoption and Enforcement Program (Form)	DOE	building energy codes	\$2,500,000.00

CPRG - 5600 Colorado Climate Pollution Reduction Planning Grant	EPA	planning funds	\$3,000,000.00
WAP Block 9891	DOE	weatherization	\$22,687,215.00
WAP IJJA 9976	DOE	weatherization	\$50,064,163.00
EERLF 100328	DOE	energy efficiency financing	\$1,631,220.00
EECBG BIL 0194	SCEP	small community energy support	\$2,075,410.00
TREC 0757	DOE	workforce development	\$2,501,170.00
Solar for All 84090401	EPA	low income solar	\$156,120,000.00
CPRG Implementation - 2300	EPA	multiple programs	\$129,008,738.00
SE0001541 IRA Codes Competitive Award Collaborative solutions	DOE	building energy codes	\$20,000,000.00
R STEP	ENERGYWERX	renewable siting technical assistance	\$1,960,000.00
Energy Futures Grant ELECTRIC Deployment	DOE	study on low income electrification	\$500,000.00
Adopt Build Codes Formula Award 1461	DOE	building energy codes	\$12,201,485.50
(National Electric Vehicle Infrastructure/NEVI)	CDOT/DOT	electric vehicle infrastructure	\$44,494,590.00

1/31/25, 4:36 PM

Trump Is About to Wreck U.S. Oil Refineries - Heatmap News



NEWSLETTERS PLUS PRO DECARBONIZE YOUR LIFE

Trump Is About to Wreck U.S. Oil Refineries

The American oil industry wasn't built for Canadian tariffs.

ROBINSON MEYER · 01/30/2025



Heatmap Illustration/Getty Images

Since his re-election, President Trump has repeatedly threatened to impose big tariffs on imports from Canada and Mexico.

And in recent days, he's made it clear: Yes, he really means *all* imports.

"We don't need them to make our cars, we make a lot of them. We don't need their lumber because we have our own forests," he told Davos attendees last week. "We don't need their oil and gas, we have more than anybody."

<https://heatmap.news/politics/trump-canada-oil-tariffs>

2/15

1/31/25, 4:36 PM

Trump Is About to Wreck U.S. Oil Refineries - Heatmap News



NEWSLETTERS PLUS PRO DECARBONIZE YOUR LIFE

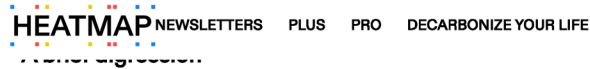
industry really does depend on oil imported from its neighbors, especially Canada. If Trump makes good on his threats to tariff oil imports from Canada and Mexico, then he will cost the American oil and gas industry tens of billions of dollars while causing gasoline prices to rise across much of the country.

That's because not all petroleum is created equal. The type of crude that oozes out of wells in Alberta and Saskatchewan is not identical to what's extracted by frackers in Texas and Oklahoma. But the types of petroleum now produced in Canada and in America pair especially well together — meaning that if the price of Canadian oil goes up, then American refineries, as well as American consumers, will pay the price.

ADVERTISEMENT

That could hurt the president's ability to fulfill one of his core promises. In his inaugural address, Trump promised to “rapidly bring down costs and prices” in part by fighting “escalating energy costs.” Levying tariffs on Canadian oil imports would likely raise energy prices.

But it could have more complicated environmental effects. Western Canadian petroleum has a higher carbon intensity than other crude oils, and American climate activists fought last decade to keep it from entering the United States. Trump, counterintuitively, could succeed more thoroughly than they did.



We often talk about oil as an homogenous and fungible commodity, but that's not really true. In reality, oil and natural gas usually come out of the ground as a slurry of hydrocarbons.

A hydrocarbon is a chain of hydrogen and carbon atoms bonded together. Sometimes those chains are relatively short — as in methane, the major component of natural gas — and sometimes they're longer — as in octane, a liquid and a major component of gasoline. As the number of carbon atoms keeps growing, the substance starts to get waxier until the chains get absolutely enormous and become the kind of molecule you find in coal. Nitrogen, oxygen, and sulfur atoms are sometimes jammed into the hydrocarbon chains too.

In other words, all fossil fuels exist on a spectrum — and crude oil, a melange of hydrocarbons of different lengths and properties, occupies the messy middle. Those properties can vary based on how and why in the past a crude field formed. Petroleum engineers classify it along two axes:

ADVERTISEMENT

- Its *weight*. When oil has more short-chain hydrocarbons, it flows more easily, and petroleum engineers talk about it as being “light.” When oil has more long-chain hydrocarbons and is more viscous, they say that it's “heavy.”
- Its *sulfur content*. Some hydrocarbon chains contain sulfur atoms mixed in with the



NEWSLETTERS PLUS PRO DECARBONIZE YOUR LIFE

Engineers say that sulfur-rich crude is “sour,” while sulfur-light crude is “sweet.”

American fracking wells tend to produce light, sweet crude. The oil from Alberta is heavy and sour.

Normally, heavy and sour oil trades at a discount compared to light and sweet oil. That’s because the highest volume products that come out of a refinery — gasoline or jet fuel, for instance — are made of short hydrocarbons, not long ones. Light, sweet crudes are closer to the finished product, and thus require less refining.

Yet heavy, sour crudes are crucial to the U.S. oil industry anyway. American refiners use heavy crudes to bring down their input costs for refined products such as gasoline, diesel, and jet fuel.

Why? That’s where the history comes in.

North America is an integrated energy system

Nearly two decades ago, as oil prices reached painful highs as global demand outstripped supply, many refineries across the United States began to invest in technologies that would let them break down heavier, sour petroleum into something more commercially viable. They built coking refineries, expensive pieces of equipment that use extreme heat to break down long hydrocarbon chains into shorter ones. The cost of such a refinery can exceed \$10 billion. Many were purpose-built for breaking down the sludgy, sour oil coming from Canada.

In the early 2010s, as the fracking revolution turned the United States into an oil-drilling superpower, those coking refineries remained important. They helped stretch the value out of the light, tight crude coming out of fracking wells, Rory Johnston, an oil markets analyst and the author of the Commodity Context newsletter, told me last week.

It does not make sense to use the coking refineries on oil from fracking wells, because that oil is already largely composed of short-chain hydrocarbons. But by breaking down Canadian oil in coking refineries, and blending it with American oil, the industry can make a wider blend of producers at a lower cost.

“Heavy crude’s cheaper, and they want to refine this into valuable end products,” Johnston said in a separate conversation recorded this week on Heatmap’s Shift Key podcast. “And so because of

1/31/25, 4:36 PM

Trump Is About to Wreck U.S. Oil Refineries - Heatmap News


 NEWSLETTERS PLUS PRO DECARBONIZE YOUR LIFE

Many of America's refineries — especially those in the Midwest — are now tuned specifically to process light fracking oil and heavy Canadian sludge together, he said. What this means in practice is that the United States exports as a finished product much of the crude oil that it imports from Canada. Under the current situation, the U.S. earns more money selling refined products *made* from Canadian crude than it spends importing raw petroleum from Canada, Johnston added.

ADVERTISEMENT

Tariffs will collapse the price relationships that allow for that mutually beneficial situation to persist. It will boost the cost of Canadian oil by at least \$5 a barrel on each side of the border, raising pump prices by about 13 cents in the Midwest, Johnston told me.

That may not sound so bad for consumers. But it would be terrible for refiners. "The total effect of Trump's actions so far is to nuke the economics of U.S. coking refineries. It's truly magnificent," he said. "You couldn't create a better scenario to destroy the economics of U.S. coking refineries."

If U.S. oil companies lose access to cheap Canadian oil, they will struggle to replace it. That's because the next best place to get heavy, sour crude is Mexico — and Mexican imports, too, would likely face 25% tariffs under most scenarios where Canada is levied. The next places to get heavy, sour crude are Venezuela (where the Trump administration wants to tighten sanctions) and Colombia (where Trump nearly imposed tariffs last weekend).

<https://heatmap.news/politics/trump-canada-oil-tariffs>

6/15

1/31/25, 4:36 PM

Trump Is About to Wreck U.S. Oil Refineries - Heatmap News



NEWSLETTERS PLUS PRO DECARBONIZE YOUR LIFE

millions of barrels of oil from Canada down to the U.S. Gulf Coast every day. The countries — and especially their fossil fuel industries — are interdependent.

Meanwhile, only one pipeline system — [the Trans Mountain pipeline](#) — connects Alberta's oil fields to the Pacific coast.

If you begin to play out how each country might react to a tariff, Johnston said, “you get into these completely absurd scenario discussions,” Johnston said. “The result is everyone would be poorer in that scenario.”

None other than the U.S. oil industry itself has opposed the tariffs.

“We import a lot of oil from both Mexico and Canada, and we refine it here in the most sophisticated refinery system in the world,” Mike Sommers, the CEO of the American Petroleum Institute, [said](#) at an event in Washington last week. “We’re going to continue to work with the Trump administration on this so that they understand how important it is that we continue these trade relationships.”

ADVERTISEMENT

On Monday, *The Wall Street Journal* reported that some Trump aides [are eager to hit](#) Canada and Mexico with tariffs this weekend, even though the president has yet to reopen talks — or even

<https://heatmap.news/politics/trump-canada-oil-tariffs>

7/15

1/31/25, 4:36 PM

Trump Is About to Wreck U.S. Oil Refineries - Heatmap News



NEWSLETTERS PLUS PRO DECARBONIZE YOUR LIFE

One irony of this fracas is that the tariffs would have a more uncertain environmental effect. Western Canadian crude is unusually carbon-intensive to extract and refine. If its price rose — or if Canadian officials responded to tariffs in part by shutting down production — then Trump could accidentally, if marginally, decrease carbon emissions. American refineries might also respond to tariffs by importing heavy, sour crude oil from abroad, essentially just shifting production around the planet.

Still, it remains ridiculous that Trump, who has spent his first days in the White House attacking a “Green New Deal” agenda that never actually passed Congress, might succeed in raising the cost of oil consumption and production in the U.S. where a decade of climate activism has largely failed.

Perhaps that’s why many still doubt it would happen. On Wednesday morning, President Claudia Sheinbaum of Mexico said that she did not think Trump would ultimately impose sanctions on her country. And even within the oil industry, tariffs on Canadian oil seem unthinkable. A 25% tariff would whack the industry hardest, even though it has allied itself closely with Trump. Trump’s likely energy secretary, Chris Wright, is the CEO of Liberty Energy, an oilfield services company.

“A lot of the people I’m hearing on the Canadian side are saying, ‘Maybe we should try to speak with these people around Trump. Maybe Wright or [Trump’s energy czar Doug] Burgum understand what’s happening,’” Johnston said.

But Trump has already made demands that strike the North American oil industry as bizarre. At the same Davos meeting where he said the United States didn’t need Canadian oil, Trump demanded that OPEC and Saudi Arabia cut global oil prices so that global interest rates could fall. Such a move would cut profits in the American oil industry while hampering Trump’s goal of increasing U.S. oil production.

The irony that a Republican president would push off Canadian crude to increase America’s reliance on OPEC is hard to comprehend, Johnston said.

ADVERTISEMENT

1/31/25, 4:36 PM

Trump Is About to Wreck U.S. Oil Refineries - Heatmap News

HEATMAP NEWSLETTERS PLUS PRO DECARBONIZE YOUR LIFE

“I don’t know that anyone has a great sense of where Trump’s true philosophical anchor is,” he said, “other than that we are now getting a clear picture that he views any and all trade deficits as a sin unto themselves.”

**ROBINSON MEYER**

Robinson is the founding executive editor of Heatmap. He was previously a staff writer at The Atlantic, where he covered climate change, energy, and technology.

The Honorable Mike Crapo
239 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Jason Smith
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Ron Wyden
221 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard Neal
372 Cannon House Office Building
Washington, DC 20515

January 7, 2025

Dear Chairman Crapo, Ranking Member Wyden, Chairman Smith and Ranking Member Neal:

On behalf of the undersigned trade associations representing millions of American workers across the domestic energy sector, we urge you to prioritize energy security, reliability and affordability as your committees consider potential legislation to reform the tax code. An all-of-the-above tax code is necessary to support an all-of-the-above electricity grid that can meet rising demand, ensure a reliable, resilient grid, and increasingly clean grid, and maintain affordability for American families.

America's energy sector is the backbone of our economy and national security. As global events continue to demonstrate the strategic importance of domestic energy production, federal tax policy should support a robust, diverse energy portfolio that includes both traditional and renewable sources available to all market participants.

The coming decades will see unprecedented growth in electricity demand driven by economic expansion including the build-out of data centers and the continued onshoring of manufacturing. Data sourced from S&P Global forecasts a 20-percent increase by 2030 alone, and we cannot supply this demand without increasing domestic energy production. Meeting this challenge while maintaining energy affordability and reliability will require maximizing every domestic energy source available. Tax policy that supports investment across the full spectrum of energy resources is essential to achieve these goals.

Our member companies are creating millions of new good-paying American jobs. Investing in domestic energy production, energy infrastructure, and manufacturing will support continued job growth and economic development in communities across the country while reducing costs for American families and businesses. The existing suite of energy tax credits, and the investment they are driving, has led to a reduction of both wholesale power and capacity prices delivering an 11-percent reduction in power system costs and saving consumers money on their electric bill.

As your committees evaluate energy tax policy, we stand ready to serve as a resource and share our industry's expertise. We ask that you take a balanced approach to tax reform that maintains tax incentives for all forms of domestic energy production and storage, to best serve American consumers, workers, and our national security interests.

Thank you for your consideration of these important issues.

American Clean Power Association
American Public Power Association
Carbon Utilization Research Council
Edison Electric Institute
National Electrical Manufacturers Association
National Hydropower Association
National Rural Electric Cooperative Association
Nuclear Energy Institute



February 4, 2025

Via Email

The Honorable Bob Latta
Chairman, Subcommittee on Energy
House Committee on Energy & Commerce
2470 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Kathy Castor
Ranking Member, Subcommittee on Energy
House Committee on Energy & Commerce
2188 Rayburn House Office Building
Washington, D.C. 20515

Re: Hearing on “Powering America’s Future: Unleashing American Energy”

Dear Chairman Latta and Ranking Member Castor:

On behalf of America’s leading independent oil and natural gas producers, the [American Exploration & Production Council \(AXPC\)](#),¹ supports the full Committee and Subcommittee’s pro-American energy agenda.

This Congress has an opportunity to implement durable reforms that will unlock our country’s full energy potential. Reforms are needed across the supply chain to meet an ever-increasing demand, while providing ever more affordable, reliable, and cleaner sources of fuel. Solving this dilemma means greater domestic energy independence and global energy stability, while providing more local jobs, greater economic growth, and lower costs.

Since the shale revolution began in 2005, our country has become the world leader in both the production of oil and natural gas *and* emissions reductions. While the United States’ energy production grew to 20% of global oil and 25% of global natural gas, we’ve also reduced emissions by 18% since 2005 — outperforming the average of all Organization for Economic Co-operation and Development (OECD) countries.² Our American energy revolution has powered our nation’s manufacturing revival, fueled our economic growth, and been a stabilizing force in the world.

Our ability to produce more energy with less emissions is critical to meeting a very real, looming demand. We’re only at the beginning of power needs from data centers and AI, but U.S. energy demand projections are astounding. Power demand from data centers is on track to grow more than 160% by 2030, compared to 2023 levels.³ AI searches require ten times the amount of electricity compared to a traditional Google search. Data centers alone are expected to add about 323 terawatt hours (TWh) of electricity demand by 2030 (more than double the power demand of New York City). And the number of data centers in our country already has doubled over the past two years.⁴ Natural gas alone is expected to provide 60% of the power demand growth.⁵ Our AI ambitions are limited only by our ability to power them with reliable, American-made energy.

¹ AXPC’s membership spans every major energy basin in the United States and collectively produces about half of our country’s oil and over half of our natural gas. As a sector, American upstream producers bring nearly half a trillion dollars of total economic value, over 3 million jobs, and an average wage of \$107,000 per year (nearly double the U.S. mean).

² In contrast, China, which is responsible for 35% of global emissions compared to our 13%, has doubled its emissions since 2005.

³ Goldman Sachs, AI Is Poised to Drive 160% Increase in Data Center Power Demand (2024), available at [link](#).

⁴ North American Electric Reliability Corporation (NERC), Summer Reliability Assessment (2024), available at [link](#).

⁵ S&P Global, Data Centers: Rapid Growth Will Test U.S. Tech Sector’s Decarbonization Ambitions (2024), available at [link](#).

That's just in the United States. By most estimates, demand for both oil and natural gas is expected to increase by about 50% between now and 2050.⁶ As they should: Today, roughly 3.5 billion people don't have reliable access to electricity and 774 million don't have access to any electricity.⁷ American exports keep prices lower and stable at home, while providing our allies around the globe with responsibly sourced energy. This growing demand will be met. The question is by whom: Us or our global adversaries?

While this Subcommittee should undertake a comprehensive review of policy solutions to unlock American energy today and for the long-term, we offer five ready-made areas of reform from the upstream sector's perspective:

- **Emissions Policy:** Foster Continued Emissions Reductions Through Innovation and Workable Regulation
- **Exports:** Leverage American Energy for National Security and Global Environmental Leadership
- **Permitting Reform:** Address Barriers to the Development of Energy Infrastructure
- **Taxes and Trade:** Ensure a Fair and Competitive Tax and Trade Regime for American Energy Producers
- **Federal Lands:** Re-Open the Responsible Development of America's Energy Resources

Given the Committee's jurisdiction, we'll elaborate on the first three.

First, advancing smart emissions policy.

Since 2015, the American upstream sector has reduced methane intensity by 61% and overall methane emissions by 42%,⁸ even as production increased by 30%.⁹ Policy should enable us to build on this success.

Our members remain focused on reducing methane emissions from their operations and support effective and reasonable regulation that balances the essential value of American oil and natural gas production with the global challenge of addressing climate change. That is why we support many of the requirements in the EPA's methane rule (i.e., OOOOb/c regulations) and updated revisions to the Subpart W regulations, while other areas of the rules can be improved through the administrative process.

But the methane tax — enacted by the 2022 Inflation Reduction Act (IRA) — should be repealed. This punitive tax raises costs on American energy production and stifles ongoing, significant progress and investment to reduce U.S. emissions.

Combating global emissions is a global challenge. We should have a regulatory framework that maintains our global leadership in emissions reductions and promotes global competitiveness in energy production.

Second, promoting the export of American energy.

The shale revolution propelled the United States to be not only the largest producer of oil and natural gas in the world but also a leading exporter. Since 2015, when oil export restrictions were lifted and the first liquefied natural gas (LNG) cargo was shipped, we've become the fourth largest exporter of oil and the

⁶ Data analyzed from the Energy Information Administration, OPEC World Outlook, and the International Energy Agency.

⁷ Data analyzed from the International Energy Agency's SDG7 Energy Progress Report and the Payne Institute's Energy for Growth Hub.

⁸ Data analyzed from the Clean Air Task Force/Ceres Report on Benchmarking Oil and Gas Emissions and Environmental Protection Agency.

⁹ Data analyzed from the Energy Information Administration and Environmental Protection Agency.

largest exporter of natural gas.¹⁰ When Russia invaded Ukraine in 2022, the United States filled the energy gap for European allies and further mitigated Russia's influence in the region.

Our energy resources have become one of the most effective strategic tools to enhance national security, stabilize global markets, limit geopolitical uncertainty, and reduce global emissions. Our natural gas transitions the world from higher-emitting sources, resulting in significant emissions reductions across the world. Despite these clear benefits, U.S. LNG has recently faced significant political and policy headwinds that question the reliability of America as a global supplier.

American energy exports support lower prices both domestically and globally. We have more than enough reserves to meet domestic demand and supply international partners, while keeping prices low and stable here at home. What we need is durable process and policy that advances a pro-American-energy agenda abroad and embraces the export of American-made oil and natural gas.

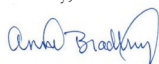
Third, bolstering energy infrastructure through permitting reform.

To meet growing domestic and global demand, we need modern energy infrastructure. Unfortunately, our ability to produce, transport, and deliver all energy sources — from the molecules in the ground to the energy and products demanded by families and businesses — is hampered by outdated permitting laws. Permitting for most energy projects can take at least 4.5 years and then delayed even longer because of frivolous third-party challenges and litigation delays. These pitfalls go well beyond traditional energy: advanced manufacturing, infrastructure development, electricity transmission, carbon sequestration, and renewable deployment are all caught in the same morass that is federal permitting.

Comprehensive, commonsense reforms are essential to unleashing American energy in all its forms. This includes wholesale reforms of the federal permitting process, like judicial review, for energy projects to create a more efficient, predictable, and transparent framework that incentivizes investment and encourages American energy to build again.

On behalf of America's leading independent producers of oil and natural gas, we look forward to working with this Congress and the Energy & Commerce Committee enact a pro-American energy agenda.

Sincerely,



Anne Bradbury
President & CEO, American Exploration & Production Council

cc: Members of the Subcommittee on Energy

¹⁰ Data analyzed from the Energy Information Administration.



**Statement from U.S. Secretary of Energy Jennifer M. Granholm
on Updated Final Analyses**

The Natural Gas Act has given the U.S. Secretary of Energy the responsibility to evaluate whether authorizations for the export of liquefied natural gas to non-free-trade-agreement countries is consistent with the “public interest.” That determination includes a wide variety of factors including impact on American consumers, workers, and the environment. We have now finalized our update of various pieces of analysis for public comment.

I want to take this opportunity to highlight five key findings and considerations that I think are especially relevant to help guide future Secretaries of Energy in making decisions about whether particular applications are in the public interest. Today’s publication reinforces that a business-as-usual approach is neither sustainable nor advisable.

First, the pace of growth of U.S. natural gas exports in recent years is truly astounding and many analysts say continued growth on this trajectory will quickly outpace global demand. By itself, this rapid growth to date – and the continued growth we expect under existing authorizations – recommends a cautious approach going forward. U.S. LNG exports have already tripled over the past five years, will double again by 2030, and could double yet again under existing authorizations. The quantities already approved for export equate to roughly half of the U.S.’s total current natural gas production today. In 4 of 5 modeling scenarios included in today’s study, the amounts that have already been approved will be more than sufficient to meet global demand for U.S. LNG for decades to come.

Second, while these dramatically increasing LNG exports generate wealth for the owners of export facilities and create jobs across the natural gas supply chain, our public interest review requires a comprehensive economic analysis. The U.S. Department of Energy’s (DOE) updated study finds that a wide range of domestic consumers of natural gas – from households to farmers to heavy industry – would face higher prices from increased exports. The study put forward today finds that unfettered exports of LNG would increase wholesale domestic natural gas prices by over 30%. Unconstrained exports of LNG would increase costs for the average American household by well over \$100 more per year by 2050. We have recently lived through the real-world ripple effects of increased energy prices domestically and globally since the pandemic. Middle and low-income households already face energy bills that are too high. In parts of the South, the export-induced price increase would put some households over the energy burden threshold, further challenging their ability to meet basic needs.

In fact, DOE analysis exposes a triple-cost increase to U.S. consumers from increasing LNG exports – the increasing domestic price of the natural gas itself, increases in electricity prices (natural gas being a key input in many U.S. power markets), and the increased costs for

consumers from the pass-through of higher costs to U.S. manufacturers. On the latter point, the new study finds that from 2020 to 2050, the overall energy costs for the industrial sector would go up \$125B, leading to additional potential price increases for a wide range of consumer goods.

To date, U.S. consumers and businesses have benefited from relatively stable natural gas prices domestically as compared to those in other parts of the world who have faced far greater price volatility. The more volumes of U.S. LNG are exported, the greater the risk of this global price volatility being imported into our domestic market and impacting U.S. consumers and manufacturers.

Third, LNG facilities tend to be concentrated in communities that are being asked to shoulder the additional burden of pollution from increased natural gas production and liquefaction. This comes on top of existing environmental burdens from refining, petrochemical, and other industries already concentrated near these communities. Pollutants such as methane, volatile organic compounds, particulate matter, nitrogen oxides, and others lead to higher mortality rates in communities where oil and gas are extracted and processed – a problem that, absent regulatory intervention, will only get worse, if volumes of LNG exports continue to dramatically increase. It is notable that just recently the U.S. Federal Energy Regulatory Commission [required](#) Supplemental Environmental Impact Statements for two LNG projects with export applications then pending before DOE – CP2 and Commonwealth – to undertake further analysis on air pollution impacts to surrounding communities. With our latest final analysis, DOE has specifically requested additional [public input](#) from affected communities, workers, local businesses, academic researchers, and other stakeholders about all the various impacts – health, economic, and environmental – on those most directly affected by gas exports.

Fourth, the climate impact of ever greater exports of LNG merits a close and rigorous focus, especially in a world that needs to quickly reduce greenhouse gas emissions substantially across the board to meet our global commitment of limiting warming to 1.5 C. While some tout LNG as a means to reduce the use of coal overseas (and to date that has been the case with some importing countries), the study put forward today shows a world in which additional U.S. LNG exports displace more renewables than coal globally. As stated earlier, 4 out of 5 scenarios, currently authorized levels of U.S. LNG exports are already more than enough to meet global demand. In the fifth scenario in which U.S. LNG exports exceed currently authorized levels, the annual direct emissions associated with exports in 2050, not considering market effects of the exported gas, would be 1.5 gigatons of CO₂ equivalent, or just over 25 percent of current U.S. annual greenhouse gas emissions.

And in every scenario, increases in LNG exports would lead to increases in global net emissions – despite very aggressive assumptions in the model regarding deployment of carbon capture, utilization, and storage (6.6 Gt CO₂ to 20 Gt CO₂ annually in 2050 across the scenarios). The extent of net emissions increases resulting from additional U.S. LNG exports will depend on market effects addressed in the study, such as changes in energy demand and the sources used to meet that demand for electricity and other uses of natural gas.

The study shows that climate emissions associated with LNG can vary widely from the point of extraction, through midstream transportation and liquefaction, to end use. Accounting for the

GHG intensity of LNG cargoes should be a central consideration for future operations of the DOE program and of global trade in LNG more generally. The European Union has enacted a law that will impose requirements on its LNG suppliers to limit emissions associated with natural gas production by later this decade, with a methane intensity requirement implemented in 2030. Seeking to account for and to reduce emissions associated with U.S. LNG production throughout the supply chain is critical to U.S. economic competitiveness over the medium term. Such efforts can be supported both by the operations of DOE's program, as well as by regulatory efforts to reduce methane emissions in the oil and gas sector.

Special scrutiny needs to be applied toward very large LNG projects. An LNG project exporting 4 billion cubic feet per day – considering its direct life cycle emissions – would yield more annual greenhouse gas emissions by itself than 141 of the world's countries each did in 2023.

Fifth, any sound and durable approach for considering additional authorizations should consider where those LNG exports are headed, and whether targeted guardrails may be utilized to protect the public interest. Over the past few years, U.S. LNG has proven critical for our allies in Europe as they wean themselves off Russian gas. However, European demand for natural gas has flattened and is set to decline substantially in line with Europe's efforts to reduce its climate footprint. LNG demand has already peaked in Japan, and growth is expected to flatten in South Korea by 2030. On the other hand, based on current global demand for LNG, the People's Republic of China is already the world's largest importer. Looking ahead China's LNG exports are expected to nearly double between now and 2030, and China's LNG imports are expected to be the highest of any country through 2050. PRC entities have already signed several contracts with operating or proposed U.S. LNG projects. Future authorization decisions of what is in the "public interest" need not be made solely on a binary – yes or no – basis but could be undertaken using a broader framework of requirements for all authorizations.

Regardless of what happens in each cycle of elections, the effect of increased energy prices for domestic consumers combined with the negative impacts to local communities and the climate will continue to grow as exports increase. In the decade to come, we will see strong and mounting pressure within our democratic system to ensure that the United States uses its market position in a way that truly advances our national interest and energy security, which must include the needs of American workers, American families, and our responsibility to address the climate crisis. In our view, the question is not *whether* U.S. export policy will be forced to respond to those interests, but *when* and *what* that response is.

At the beginning of this year, we made the decision to pause new LNG export decisions while we awaited the completion of a new study examining the economic and environmental impacts of increased LNG export volumes. That final study, now available for public comment, exposes a whole range of considerations that must be taken into account. Given that the comment period for the study will continue into the next Administration – and that there are a limited number of applications that are concurrently ready for the DOE "public interest" review – decisions about the future of LNG export levels will necessarily be made by future Administrations.

Our hope is that we can now assess the future of natural gas exports based on the facts and ensure authorizations are reviewed in a manner that truly advances the public interest of all the American people.

02.05.2025_ENG_QFR_Eversole

QFR REVIEW: 02.05.2025 Subcommittee on Energy - Questions for the Record

The Honorable Robert E. Latta (R-OH-5)

1. We need more energy supplies to lower prices. A 2023 study by NERA Economic Consulting found that the lack of new pipeline infrastructure is a material impediment to the natural gas industry bringing the lowest cost gas resources to the market.

a. Please explain the importance for increasing natural gas pipeline capacity and explain how doing so will help bring lower, and make more stable, costs to industry and ratepayers?

Increasing natural gas pipeline capacity is essential for unlocking America's energy potential, driving economic growth, and ensuring affordable, reliable energy for all consumers. By addressing the current infrastructure limitations, we can bring the lowest-cost gas resources to market and create a more stable and prosperous energy future.

Expanding pipeline capacity allows for greater market access to low-cost natural gas resources, which can lead to reduced energy prices for consumers and businesses. Increased pipeline capacity creates jobs and stimulates economic activity. A clear example of this is the Mountain Valley Pipeline (MVP), which entered service on June 14, 2024—nearly nine years after its initial application to FERC. The MVP now delivers up to 2 billion cubic feet (Bcf) of natural gas per day from the prolific Marcellus and Utica shale regions to growing demand centers in the Mid-Atlantic and Southeastern United States. This added capacity provides cost-effective, domestic energy for local distribution companies, industrial users, and power generators, supporting energy reliability while helping to keep costs down for consumers and businesses.

2. API has a long record of examining the policies and other forces that affect energy prices, including the prices paid by consumers.

a. Please provide your insights into how and how much the Inflation Reduction Act affected energy prices?

While API does not forecast prices, we do analyze market fundamentals. Historically, excessive restrictions on domestic energy production risk contributing to price volatility and upward pressure on consumer costs. To keep energy prices stable, it is critical to encourage investment through policies that support energy development. A welcoming policy landscape—one that promotes infrastructure development, predictable permitting processes, and regulatory certainty—reduces investment risk and strengthens long-term energy security. When policies create uncertainty, they deter private sector investments

02.05.2025_ENG_QFR_Eversole

that are necessary to maintain and expand energy production, ultimately impacting consumers and economic growth.

The IRA's new taxes and fees on domestic energy producers, such as the Waste Emissions Charge (WEC), have the potential to increase production costs. Historically additional costs have resulted in higher energy prices, particularly in times of constrained supply due to the challenges of permitting infrastructure.

b. What are the most important actions Congress may take to increase supplies and reduce prices for energy users?

We are already seeing encouraging steps from the executive branch and federal agencies to strengthen America's energy future and increase production. But to build on this momentum and deliver lasting energy security and affordability, Congress must act. Establishing a stable, long-term policy environment—one that supports energy expansion and investment—is essential.

API's Five-Point Policy Plan outlines key priorities, and more than 20 specific policy actions, where Congressional leadership can make a meaningful impact. While agency efforts are moving in the right direction, achieving the kind of energy certainty that attracts private investment will require strong, coordinated action from Congress. The opportunity is clear: with the right policies in place, the U.S. can lead the world in affordable, reliable, and lower-carbon energy for decades to come.

The Honorable Gary Palmer (R-AL-6)

1. How do we utilize hydrocarbon energy as we advance our energy production through nuclear?

At API, we recognize that the path to a secure, affordable, and reliable energy future requires an all-of-the-above approach—one that includes oil, natural gas, nuclear and other emerging technologies. As the U.S. continues its use of nuclear energy, hydrocarbons will play a critical role in supporting energy production, grid stability, and economic growth.

In the power sector specifically, nuclear provides baseload power, however, it requires flexible backup from natural gas to maintain grid reliability during outages, maintenance, or fluctuating demand. Additionally, hydrocarbons support nuclear fuel production and power industrial processes required for plant construction and operation.

Maintaining a strong oil and natural gas sector alongside nuclear is critical to ensuring affordable, reliable, and resilient energy for American families, businesses, and industries.

02.05.2025_ENG_QFR_Eversole

The Honorable Rick Allen (R-GA-12)

1. Last Congress you came before the environment subcommittee and testified on the progress the U.S. has made on unlocking our domestic energy capabilities.

a. You and I discussed how lifting the oil export ban allowed the U.S. to wield more influence over the global price of oil and provided market stability. Being the world's supplier of oil and gas ensures our dominance on the world stage and protects our allies. Can you share the impact exporting our oil and natural gas has on our economy?

Since the lifting of the oil export ban in 2015, the U.S. has become by far the world's largest producer of oil and natural gas, which has strengthened our position on the global stage and provided critical economic benefits at home. The U.S. has become energy dominant on several critical fronts:

- a. **Economic Growth/Job Creation:** Oil and natural gas exports have driven significant economic expansion, supporting millions of American jobs across the entire energy value chain—from production and refining to transportation and shipping.
- b. **Stable Energy Markets:** By increasing supply and bolstering market stability, our ability to export oil and LNG has helped mitigate extreme price volatility. U.S. natural gas exports have also played a role in keeping domestic natural gas prices relatively stable compared to global markets.
- c. **Trade Balances & National Security:** Energy exports have bolstered our trade balance, reducing our reliance on foreign imports and positioning the U.S. as a reliable energy partner for our allies. LNG exports, in particular, have been critical in supporting European nations as they work to diversify their energy supplies, reducing dependence on adversarial sources.
- d. **Global Influence and Energy Diplomacy:** With our exports reaching markets worldwide, the U.S. can help promote stability in global energy markets, helping to counteract supply disruptions and geopolitical threats. By ensuring a steady supply of energy, we support economic and political stability among our allies and reinforce our strategic alliances.

Continued investment in American energy infrastructure and policies that encourage responsible energy production will ensure we maintain this leadership position well into the future.

02.05.2025_ENG_QFR_Eversole

The Honorable Mariannette Miller-Meeks (R-IA-1)

1. As Chair of the Conservative Climate Caucus, I want to ensure that we do not lose sight of ensuring that energy policy continues to strive to lower emissions. As we focus on reducing emissions while maintaining energy security, I'd like to understand the role of the oil and gas industry.

a. What specific technological innovations and operational practices has the industry implemented to reduce emissions over the past decade?

b. Looking ahead, what are the most promising opportunities for further emissions reductions while maintaining reliable energy production?

Over the past decade and a half, the United States has made some of the most significant greenhouse gas emissions reductions of any major economy—and the oil and natural gas industry has played a central role in that progress. Through a combination of technological innovation, operational improvements, and market-driven fuel switching, our industry has contributed meaningfully to lower emissions while continuing to meet the nation's energy needs.

First, we've made substantial strides in reducing emissions from our own operations. Across the sector, companies have deployed advanced technologies, improved efficiency, and embraced rigorous monitoring, reporting, and verification (MRV) systems to cut emissions—particularly methane. As a result, the methane intensity of U.S. natural gas production has declined by nearly 60% since 2015, according to the Energy Information Agency (EIA). Operators are using tools like aerial surveillance, satellite imaging, and optical gas imaging to detect and fix leaks faster and more effectively. Second, the expanded use of natural gas—enabled by major technological advancement that increased domestic production—has been the single largest driver of U.S. power sector emissions reductions. Since 2005, the shift from coal to natural gas has accounted for more carbon reductions than any other source, including wind and solar. This cleaner-burning fuel has helped decarbonize the grid while preserving energy reliability and affordability for consumers.

Third, our industry is investing heavily in the next generation of low-carbon technologies. Companies across the oil and gas sector are committing billions toward the development and deployment of carbon capture, low-carbon hydrogen, direct air capture, and other innovative solutions that will be critical to reducing emissions across the broader economy. These investments are laying the groundwork for a more sustainable energy future while supporting job creation and American energy leadership.

02.05.2025_ENG_QFR_Eversole

The Honorable Lizzie Fletcher (D-TX-7)

1. On February 1, President Trump chose to pick a fight with our two closest trading partners for energy products by announcing a 25% tariff on all goods from Mexico and a 25% tariff on most goods from Canada, with a lower, 10% tariff on energy products from Canada. Canada and Mexico are by far our largest sources of U.S. crude oil imports, accounting for over 4 million barrels per day combined. The Tax Foundation estimates that the tariffs on Canada and Mexico alone will increase taxes by more than \$670 per U.S. household this year. Energy industry analysts also expect fuel prices of everything from gasoline, diesel, jet fuel, and propane to rise as a result of these tariffs. On February 10, President Trump substantially raised tariffs on steel and aluminum imports to a flat 25%, without exceptions or exemptions. This action will undoubtedly ripple through the steel-intensive energy industry, and create further market uncertainty. While I'm glad to see that the tariffs on Canada and Mexico have been delayed, from a long-term investment certainty standpoint, the lack of process, lack of transparency, and abrupt changes in course can be just as harmful as the tariffs themselves.

a. Many U.S. refineries need the heavier crude oil from Canada and Mexico to maximize the flexibility of gasoline, diesel, and jet fuel production while keeping costs low for consumers. I saw President Sommers' statement that API will work with the administration on exclusions for energy products. Can you elaborate on why tariffs on imports of crude and other energy products harms the U.S. economy and raises energy costs for U.S. consumers?

API remains committed to advocating for free and fair-trade policies that support American energy security, economic growth, and affordability for consumers. The U.S. oil and natural gas sector is a clear example of trade policy done right—demonstrating benefits that are increasingly recognized by global partners, American consumers, and this administration alike.

As we know, abrupt changes in trade policy create uncertainty for long-term energy investments, making it more difficult for businesses to plan for infrastructure expansion, workforce development, and supply chain stability. The U.S. refining sector relies on a diverse mix of crude oil sources to optimize fuel production and meet consumer demand efficiently. Canadian and Mexican crude imports play a crucial role in ensuring this balance, particularly for refineries designed to process heavier grades of crude. The energy trade between the U.S., Canada, and Mexico has created a more stable and resilient energy system that benefits American consumers, enhances national security, and strengthens economic ties with our closest allies.

02.05.2025_ENG_QFR_Eversole

The decision to apply a lower, 10% tariff on energy products from Canada signals that the President and his Administration recognize the critical role energy plays in economic growth and national security. By treating energy differently, they acknowledge that maintaining reliable access to diverse energy supplies is essential to their broader policy agenda. We appreciate that the administration recognizes oil and gas as an enormous geostrategic asset, but we will continue to work on ensuring energy trade flows continue tariff-free.

Gary Arnold, Business Manager, Pipefitters Local 208, Denver Colorado

Responses to Questions for the Record

The Honorable Gary Palmer

1. How do we utilize hydrocarbon energy as we advance our energy production through nuclear?

We will need to continue to use traditional power generation technologies like Combined-Cycle Natural Gas Fired Power Plants along with Simple Cycle Natural Gas Turbines to ensure reliable and affordable energy. These types of power plants can be constructed in fairly short time and partner extremely well with traditional renewable sources like Wind and PV Solar due to their ability to adjust output quickly to match grid demand with the intermittent generation delivered by renewable sources. When outfitted with carbon capture technologies, gas-fired power plants also can operate with little to no emissions.

Taking these steps will allow us to meet immediate energy, and reliability needs while we undertake long term planning for nuclear facilities that will supply critical base load generation for industrial processes and increased future grid demand. Moreover, given that natural gas is 3.5 times cheaper than electricity for residential use, and more than 2 times cheaper than other residential energy sources,¹ investing in gas-fired plants is a tried-and-tested way to keep energy costs down for everyday Americans.

The Honorable Mariannette Miller-Meeks

1. As utilities face critical decisions about replacing aging infrastructure:

a. How should they balance immediate grid reliability needs with long-term planning for extreme weather events and evolving energy technologies?

– Immediate generation and distribution needs should be addressed by prioritizing projects that can be completed in the short-term while undertaking robust longer-term planning for major transmission and large base load demands. As most problems with grid reliability manifest in distribution systems, projects that improve distribution, including in preparation for extreme weather, should be further prioritized.

¹ Department of Energy Federal Register Notice, Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy, October 17, 2024.

To the maximum extent possible, these short- and longer-term efforts should be aligned so that all infrastructure capital investment assets work together.

Utilities must also recognize that the historic levels of infrastructure investment in our country has created a tight craft labor market. That is why I underscored in my testimony that, in our industry, every project is—and must be—an opportunity to deliver important on-the-job training to apprentices that will produce more qualified journeyman workers for future projects. When our signatory contractors win more work, we are able to expand our training programs and produce even more qualified workers to meet future needs of the utilities. I cannot emphasize enough how important it is for utilities to insist that the contractors they hire invest in apprenticeship and other training. Otherwise, they may find any short-term financial benefit from building “on the cheap” with such contractors to be dwarfed by the longer-term problems they have getting their projects built, let alone by qualified people.

b. What infrastructure investments and weatherization measures are most critical for building a more resilient grid while maintaining affordability for consumers?

My expertise on this topic is limited. While working on HVAC/R systems has given me insight into the importance of building envelopes due to their effect on system performance, I have never worked on projects focused on air sealing, insulating, or other building envelope weatherization efforts.

That being said, I do know that weatherization as it pertains to our Power Generation facilities and Energy Delivery systems is a critical part of the planning and construction phase. Ensuring that residents, commercial end users, and industrial facilities are supplied with reliable energy is critical to overall safety and economic security. To accomplish this, we need a balanced portfolio of power generation facilities that can supply energy to consumers even during extreme weather events. This must increasingly include Nuclear Power, which is the only type of generation outside of Coal that has the ability to store their fuel source onsite and to operate for extended periods of time regardless of supply chain disruptions caused by weather events.

In addition, pursuing a balanced portfolio of power generation can provide valuable alternatives to consumers when weather events cause disruption. For example, if electricity service is unavailable, consumers with natural gas service would still have a dependable source of energy.

To accommodate this diversified, weather-resilient energy portfolio, additional pipeline capacity is needed. Without additional pipeline capacity, existing pipelines are forced to

operate under increased pressures to deliver the volume needed by consumers. These increased pressures not only stress existing infrastructure but create additional vulnerabilities for extreme weather events due to the additional compression needed to operate the system.

The Honorable Lizzie Fletcher

1. In your testimony, you highlight how the IRA's incentives for innovative technologies like carbon capture and sequestration have led to a surge in new projects. You mention that the careers supported by these projects should be celebrated and protected. Can you help put this in real terms for us? If Congress were to repeal the incentives created by the IRA and throw existing projects into uncertainty, how would it impact the future of unions like yours?

The incentives and project standards in the IRA are critically important to existing and future Carbon Capture/Sequestration projects. Without the tax and other incentives the IRA provides, the private sector will be much less willing to invest in developing these important technologies. One need only compare the level of investment in carbon capture and sequestration projects before and after passage of the IRA, which expanded the 45Q and other credits, to see the difference that the incentives have made. The project standards established by the IRA, including with respect to apprentice utilization, are also necessary to ensure that we are building our skilled workforce at a rate that keeps pace with the historic investments in infrastructure we are witnessing.

The consequences of eliminating the incentives and project standards established by the IRA for members of the United Association would be the same as for every other American working on these projects: major losses in job opportunities. Owners would stop investing in and building carbon capture projects, which, in and of itself, would translate into substantial job losses across the country. Moreover, often overlooked is the impact that carbon capture projects have on the industrial facilities they serve. These projects can have the effect of saving industrial facilities that might otherwise be shuttered due to environmental considerations. Saving those industrial facilities preserves the jobs of a great many Americans who rely on those facilities for work, directly and indirectly.

On an individual level, each lost job deprives our members of the ability to earn paychecks and contributions for their Health, Retirement, and Training. The lost investments in these projects would also undermine our efforts to expand our rolls of apprentices and train existing workers to meet future workforce demands, as discussed above.

Without the incentives and project standards established by the IRA, projects like the CapturePoint project in Vernon Parish, Louisiana that I discussed in my written testimony won't happen. By partnering with the Vernon Parish School Board and CapturePoint, the UA is training local residents, beginning in high school, to build and maintain the carbon capture work in their backyards. This gives kids a great head start on realizing a family sustaining career without having to relocate outside of their community—which is a major issue and concern for officials in Vernon Parish. The incentives and standards included in the IRA played a big part in making this success story possible.



Business Manager

Denver Pipefitters Local #208

Tyler O'Connor's Answers to Additional Questions for the Record

The Honorable Lizzie Fletcher

1. Thank you for your testimony. Sufficient agency staffing and resources are critical for a timely and predictable permitting process for energy projects. I'm already hearing concerns from industry leaders in my district about the impact of President Trump's attack on the federal workforce on the existing permitting process. Largely because of industry input, the IRA and IIJA both included additional funding for the federal permitting workforce to help expedite the review process. The President's executive orders both direct agencies to eliminate delays in the permitting process and withhold these resources. Many key agencies involved in the permitting process are now subject to work stoppages of various degrees and blocks on new permits for energy projects without the express permission of senior officials.

a. In your experience, how will President Trump's directives impact permitting for energy projects?

Answer: Thank you for these questions. There is widespread agreement from industry and Congressional stakeholders that permitting projects in the United States is often too cumbersome and time-consuming. Because advancing projects through the permitting process requires close collaboration and engagement with federal agencies and regulators, executive orders and other measures that arbitrarily reduce the federal workforce and withhold agency resources may have a disproportionate impact on energy companies relying on the federal government to issue needed permits. Energy companies may in fact be particularly impacted by cuts to the federal workforce, given that a large number of energy projects are located on federal lands. Significant cuts to other permitting agencies, including the Environmental Protection Agency, Federal Aviation Administration, and the Army Corps of Engineers may also impede the permitting of new projects.

b. Could a fraught permitting process lead to litigation risk for crucial energy projects?

Answer: Yes. While much attention has been focused on the need to permit projects more quickly, there has unfortunately been less focus on making sure projects are permitted *correctly*. Rushing through the permitting process and cutting corners increases the likelihood that agencies will make mistakes. I suspect many companies would prefer to have a deliberate and stable permitting regime that reaches legally defensible conclusions, rather than an expedited process that results in permits being vacated on appeal.

2. **On February 1, President Trump chose to pick a fight with our two closest trading partners for energy products by announcing a 25% tariff on all goods from Mexico and a 25% tariff on most goods from Canada, with a lower, 10% tariff on energy products from Canada. Canada and Mexico are by far our largest sources of U.S. crude oil imports, accounting for over 4 million barrels per day combined. The Tax Foundation estimates that the tariffs on Canada and Mexico alone will increase taxes by more than \$670 per U.S. household this year. Energy industry analysts also expect fuel prices of everything from gasoline, diesel, jet fuel, and propane to rise as a result of these tariffs. On February 10, President Trump substantially raised tariffs on steel and aluminum imports to a flat 25%, without exceptions or exemptions. This action will undoubtedly ripple through the steel-intensive energy industry, and create further market uncertainty. While I'm glad to see that the tariffs on Canada and Mexico have been delayed, from a long-term investment certainty standpoint, the lack of process, lack of transparency, and abrupt changes in course can be just as harmful as the tariffs themselves. Can you speak to the importance of a stable trade regime for our energy industry?**

Answer: Companies are more likely to make large, capital-intensive investments in new energy infrastructure when there is a stable regulatory and trade environment. The haphazard and unpredictable imposition, withdrawal, and reimposition of tariffs increases uncertainty for energy companies looking to make investments in the United States. Just as consumers are unlikely to purchase a product if they do not know its cost, companies are unlikely to make new investments if they cannot reasonably approximate the cost of their inputs, or if the cost of those inputs (like steel and aluminum) are prohibitively expensive.

Hudson Institute

Prof. Brigham McCown, J.D., M.B.A.

Senior Fellow

Director, Initiative on American Energy Security

March 31, 2025

Mr. Calvin Huggins
Legislative Clerk
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515
Calvin.Huggins1@mail.house.gov

Dear Mr. Huggins:

Thank you for the opportunity to testify before the House Energy and Commerce Subcommittee on Energy during the February 5, 2025, hearing titled “*Powering America’s Future: Unleashing American Energy*.” I am pleased to provide the following responses to the additional questions for the record submitted by Members of the Subcommittee.

The Honorable Robert E. Latta

1. How important is strong U.S. nuclear industry infrastructure, including for fuels, for our international relationships?

A strong U.S. nuclear industry, inclusive of a robust nuclear fuel supply chain, is foundational to maintaining and expanding our international relationships. As many allies seek to enhance their own energy security, U.S. leadership in nuclear technology and fuel cycle services offers a credible alternative to adversarial nations such as Russia and China. Strengthening our domestic capacity allows us to export not only fuel and technology but also regulatory frameworks and nonproliferation standards, reinforcing alliances and enabling geopolitical stability. Civil nuclear cooperation with friendly States also ensures a fifty-year horizon of cooperation given the length of time a nuclear facility can be run. Stated conversely, allowing Russia to China win commercial contracts also means a half-century of dependence on these regimes.

I would also like to note the closure of the Paducah, Kentucky and Piketon, Ohio gaseous diffusion plants marked a low tide for American self-reliance and domestic production capabilities. New centrifuge enrichment facilities are badly needed to address current deficiencies.

2. Your testimony underscores the importance of modernizing our infrastructure to ensure we reliably get energy to consumers. As the co-chair of the Grid Innovation Caucus, I am interested in grid enhancing technologies that improve the performance of the transmission system. An example is the use of advanced power conductors that can double capacity of the grid using the same right of way. Please comment on this approach and how it helps ensure we get the most out of the current grid by deploying modern technology?

Advanced power conductors, such as high-temperature, low-sag (HTLS) cables, offer a pragmatic and cost-effective solution to congestion and limited capacity on existing transmission

lines. These technologies can double or even triple the capacity of legacy infrastructure, enabling greater integration of both dispatchable and variable generation without the prolonged regulatory delays of building new lines. This is precisely the kind of low-hanging fruit policymakers should prioritize to modernize our grid swiftly and at lower cost.

We also need permitting reform to allow this critical infrastructure to be built within a reasonable timeframe given that it can take up to a decade, or longer, to complete projects. That is a sobering thought when one considers the power grid we have today is likely to be the same power grid we will still have in ten years unless Congress acts to further improve permitting laws.

3. As you note in your testimony, we expect a significant increase in the demand for electricity to address the surge in power needs from AI and data centers. This power needs to be reliable dispatchable generation. We also need as soon as possible more grid capacity to deliver this new generation to data centers and new manufacturing centers. We can't wait ten years to site new transmission. Are there short-term technologies that can be deployed to address this grid congestion problem?

Yes. Grid-enhancing technologies (GETs) such as dynamic line ratings, modular power flow controllers, and advanced conductors can be deployed relatively quickly to alleviate congestion. Additionally, distributed energy resources and microgrids may offer localized solutions to serve critical loads, especially in industrial and digital infrastructure hubs. These technologies should be part of an immediate strategy while longer-term transmission planning and permitting reforms are implemented. We should also be looking to create grid resiliency including redundancies and hardening against potential cyber threats, much of which is technology driven.

4. We can pursue the innovations that produce cleaner energy, yet should we also pursue policies that put national security and American economic security and competitiveness back at the center of our energy policy?

Absolutely. Innovation should complement, not replace, a national strategy centered on security and competitiveness. America's ability to produce abundant, reliable, and affordable energy domestically is a strategic asset. We must not cede this advantage by relying on foreign-controlled supply chains or intermittent technologies without adequate baseload support. Energy policy must be guided by principles that prioritize affordability, reliability, and sovereignty — which are essential to national and economic security.



Hudson Institute
1201 Pennsylvania Avenue, N.W. Suite 400
Washington, DC 20004

5. How do LNG exports and nuclear technology exports serve a paradigm of national security and energy security?

Both LNG and nuclear exports strengthen U.S. alliances and provide vital alternatives to authoritarian energy suppliers. U.S. LNG has helped Europe pivot away from Russian gas, reducing geopolitical leverage from Moscow. I also note that Iran shares vast natural gas deposits and could leverage that supply in the future. Similarly, exporting nuclear technology supports nonproliferation goals and prevents countries from turning to China or Russia for infrastructure and expertise. These exports are tools of diplomacy that advance both our economic interests and our national security objectives.

I am pleased to see this administration reverse the politically motivated ‘LNG Pause’ and move forward permitting and licenses. Our key allies in Europe and Asia want more LNG, much more than we are currently able to offer. We must ensure the administration remains focused on expediting these approvals which is the joint work of DOE, DOT (MARAD, PHMSA) and DHS (USCG).

The Honorable Gary Palmer

1. How do we utilize hydrocarbon energy as we advance our energy production through nuclear?

Hydrocarbons and nuclear energy are not mutually exclusive; they are complementary. Natural gas provides the dispatchable power and industrial feedstock necessary for our economy, while nuclear offers carbon-free baseload generation with unmatched reliability. As we transition toward cleaner energy, hydrocarbons will remain essential for decades to come — not only to bridge the gap but to support sectors nuclear cannot reach, such as aviation and petrochemicals. Strategic energy policy embraces both, ensuring resilience and diversity in supply.

While our energy mix will naturally change over time, the worst policy decision we could make at this time is to rush ahead prematurely with an energy policy that pushes intermittent and expensive solutions, or dependencies upon unfriendly nations for our raw materials and supply chain. We learned our lesson from the Arab Oil Embargo of 1973, and we should not forget that lesson as we understand that the PRC controls the renewable market when it comes to wind, solar, EVs, and batteries in general.



Hudson Institute
1201 Pennsylvania Avenue, N.W. Suite 400
Washington, DC 20004

The Honorable Lizzie Fletcher

1. In your testimony, you point to U.S. LNG exports to Europe as a key energy lifeline following Russia's invasion of Ukraine. Just last month, an agreement allowing roughly half of Russian natural gas to flow through Ukrainian pipelines expired, leaving Europe with about a 5% gap in its supply of natural gas. In each of the past two Congresses, I've led the American Gas for Allies Act, a bill that would allow U.S. projects to receive expedited approval from the Department of Energy to export LNG to NATO member countries. Can you speak to the importance of providing a dependable supply of American energy resources to our European allies from an energy security perspective?

The American Gas for Allies Act represents a positive strategic policy initiative. By accelerating LNG exports to NATO countries, we not only provide our friends and allies with increased economic and energy security, but we are also reinforcing our defense commitments to the continent. Europe's reliance on stable, sources of energy from a fellow democratic country mitigates the risk of coercion from adversarial States while simultaneously depriving countries like Russia of the money needed to support aggression. U.S. LNG is cleaner than most, if not all, global alternatives, and supports global emissions reductions while ensuring our allies remain resilient. This legislation aligns with American interests both economically and geopolitically and is good for America.

Thank you once again for the opportunity to contribute to the Subcommittee's vital work. Please do not hesitate to reach out if I can provide further assistance.

Sincerely,



Senior Fellow
Director, Initiative on American Energy Security
Office (202) 974-2400



Hudson Institute
1201 Pennsylvania Avenue, N.W. Suite 400
Washington, DC 20004