Testimony to the United States House of Representatives Committee on Oversight and Reform Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs

"Leading the Charge: Opportunities to Strengthen America's Energy Reliability"

Mandy Gunasekara, Former U.S. EPA Chief of Staff
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Chairman Burlison and Ranking Member Frost, and members of the subcommittee, thank you for the opportunity to participate in today's hearing discussing the opportunity to create a future of energy abundance, improved reliability, and lower energy costs that will benefit American families.

My name is Mandy Gunasekara, I served as the chief of staff at U.S. EPA under the first Trump Administration. Previously, I served as Counsel in the U.S. House of Representatives and the U.S. Senate Committee on Environment and Public Works. I am currently a Principal at Section VII Capital and the author of a book entitled, "Y'all Fired: A Southern Belle's Guide to Restoring Federalism and Draining the Swamp." It is always an honor to return to Capitol Hill to provide testimony on issues I believe are extremely important.

The subcommittee's efforts to create a future of energy abundance is critical to economic growth, grid reliability and stabilization of everyday costs. Over the last four years, Americans had to suffer the consequences of an administration that sought to constrain traditional energy development[1] and force second-rate technologies on the American people. I've testified to this before, and I think it is worth repeating. The Biden-Harris anti-American energy policies made the necessities of life a financial burden.

From January 2021 when Team Biden-Harris walked through the door, Americans saw energy prices skyrocket. Home heating oil increased 36%, electricity increased 32%, and natural gas increased 25%.[2] As a result, one in six American families have been behind on their

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[1] Tony Heller, "Biden "I Guarantee You We're Going To End Fossil Fuels" *Youtube*, available at: https://www.youtube.com/watch?v=OJ7MMsheHzQ.

[2] Patrice Onwuka, "From Gas to Groceries: Americans Pay the Price of the Biden-Harris Energy Agenda," Testimony U.S. House Committee on Energy and Commerce (September 11, 2024), available at: https://www.iwf.org/wp-content/uploads/2024/09/Testimony_Energy-Commerce-2024-.pdf.

electricity bills,[3] and the cost for an average household rose approximately $10,000 significantly straining family budgets.[4]

Low-income Americans also struggled. An ongoing survey[5] by the National Energy Assistance Directors' Association (NEADA) found that low- and fixed-income households spend a greater portion of their total income on energy. On average, these households spend 8.6 percent of their income on energy costs, which is almost three times the rate for non-low- income households at 3.0 percent. NEADA's most recent survey assessing the impact high energy costs have had on the day-to-day actions of low-income households found some disturbing trends:

- 36 percent of those surveyed went without food for a day,
- 41 percent went without medical or dental care, and
- 31 percent did not fill a prescription or took less than prescribed to stretch the supply.

These hardships, among others, are why energy policy was a key focus on the recent election. There is a critical need for reliable, affordable energy and we know how to deliver on this need in the United States better than any other country. President Trump understands this as do the majority of the American people that have entrusted him to once again deliver on the promise of American energy dominance and support the America First policies necessary to achieve it.

This includes addressing aging infrastructure that has led to inefficiencies and increased outages throughout the country. While this issue has received a lot of attention in recent years, policies aimed at addressing it have failed to fix it. Rolling brownouts and blackouts have become much more common across America. In 2023, the North American Electric Reliability Corporation (NERC), the agency tasked with assessing grid reliability, listed "energy policy" as a leading risk to electric reliability for the first time.[6] Commonly cited were policies that shifted resources away from investing and upgrading existing infrastructure and toward fruitless net-

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[3] Katherine Blunt & Jennifer Hiller, *"Electric Bills Soar Across the Country as Winter Looms" Wall Street Journal* (September 18, 2022) available at: https://www.wsj.com/articles/electric-bills-soar-across-the-country-as-winter-looms-11663493404.

[4] Brian Reidl, "The pain isn't goin' away: Inflation cost households an extra $10K," New York Post (December 22, 2022) available at: https://nypost.com/2022/12/22/the-pain-isnt-goin-away-inflation-cost-households-an-extra-10k/.

[5] Mark Wolf, Congressional Testimony before the House Subcommittee on Labor, Health and Human Services and Education and Related Agencies (May 26, 2022) available at: https://neada.org/wp-content/uploads/2022/05/LIHEAPHouseTestimonyFY23_Final.pdf.

[6] Robert Walton, "NERC assessment identifies new risk to grid reliability: energy policy," *Utility Dive* (August 23, 2023) available at: https://www.utilitydive.com/news/nerc-assessment-new-risk-grid-reliability-energy-policy/691590/.

zero goals or green new deal policies. The most recent 2024 report reiterated these same issues characterizing many energy regions at "high risk" of "resource adequacy shortfalls over the next decade."[7]

Congress must also support efforts to cut unnecessary red tape and streamline the permitting process. The Trump Administration will certainly take a lead on this and has already taken a number of important steps, including recently issued executive orders Declaring a National Energy Emergency, Unleashing American Energy, Unleashing Alaska's Extraordinary Resource Potential, and Establishing the National Energy Dominance Council. Consistent with the EO's, Congress should consider legislation aimed at accelerating federal permitting for energy infrastructure transmission lines, pipelines, and power plants; and enshrining the President's 10-to-1 deregulatory policy. It's important to note that cutting regulations does not equate to paring back environmental protections or consistent improvements, which is a common, but unfounded criticism. This proved true during the first Trump administration as I have previously testified:

> From 2016 through 2019, as the U.S. economy experienced massive growth, we also cut air pollution by record levels, cleaned up water quality, addressed legacy pollution in soils through the Superfund program, and led the world in cutting greenhouse gas emissions. At the same time, EPA alone finalized 78 deregulatory actions saving an estimated $99 billion. These savings were invested into businesses and local communities instead of the bureaucracies of Washington, DC.[8]

It is also important to address a growing energy imbalance in our overall grid. This is the result of an overreliance and forced shift towards renewables like wind and solar while fast-tracking the closure of baseload generation from coal, natural gas, and even nuclear. Ignoring the impact of reduced baseload generation and capacity is a leading reason for increased consumer costs. While much of this will likely be addressed through administrative deregulatory initiatives, many at the U.S Environmental Protection Agency, congress can embrace a number of policy additional policies including:

- **Focus on What Works**: Fossil fuels provide the bulk of energy we use every day, and that energy use is expected to grow. Policy leaders must accept this fact. Instead

[7] Paige Lambermont, "New NERC Report Highlights The Need For Reliable Capacity," *Independent Women's Forum* (December 19, 2024) available at: https://www.iwf.org/2024/12/19/new-nerc-report-highlights-the-need-for-reliable-capacity/.

[8] Testimony of Mandy Gunasekara, "A Legacy of Incompetence: Consequences of the Biden-Harris Administration's Policy Failures" Testimony U.S. House Committee on Oversight and Government Accountability (September 19, 2024), available at: https://oversight.house.gov/wp-content/uploads/2024/09/Gunasekara-Testimony.pdf.

of working to ban their use, they should support efforts to make them cleaner and more efficient, not shut them down.

- **Stop Taxpayer Funded Market Distortions**: Investment and Production tax credits entice power providers to build out wind and solar projects that will not reliably work. Ending these specialized subsidies – that were indefinitely extended in the "Inflation Reduction Act" – will improve competition that can cut costs and strengthen stability.
- **Protect the Foundation**: Baseload energy is the most important part of a stable energy grid. Policy leaders must consider ways to account for the value of baseload energy, especially with on-site fuel storage that can withstand any supply disruptions and nuclear.
- **Restore Flexibilities to Grid Operators**: Ensure grid reliability or resiliency standards are technology neutral so grid operators and engineers have the flexibility to plan for and respond to major swings in demand.
- **Encourage Responsible Innovation**: Congress and administrative agencies like the Department of Energy and Department of Defense are a helpful tool in commercializing promising technology. However, these funds must be administered with proper oversight to protect taxpayer investments and avoid Solyndra-like scenarios.
- **Establish Balanced Environmental Standards**: Set environmental standards based on proven, not prospective, technologies with flexible timelines for compliance.
- **Unleash U.S. Oil and Gas**: Revoke recent taxes on natural gas, cut red tape, open up public lands and waters to development, and support the development of affiliated infrastructure including refineries and pipelines.
- **Support a Modern Workforce**: Expand training programs for prospective and current energy workers through apprenticeships and STEM-focused development.
- **Reject ESG**: Ensure access to capital and credit is based on a company's merit and not compliance with arbitrary versions of political correctness from the Left.
- **Replace Coercive Federalism with Cooperative**. Encourage states to re-think state-level renewable portfolio mandates largely enforced via federal pressure.
- **Prioritize Mined in America:** Incentivize domestic manufacturing of all energy technologies and the domestic mining of minerals that go into these technologies. Approving the Twin Metals Mine in northeastern Minnesota is a first, good step.
- **Support emerging energy technologies like Nuclear and Crypto-mines:** Nuclear has immense potential but integration of the latest technologies into domestic use has been held up by onerous regulations and costly delays. Additionally crypto-mining operations can assist in grid stabilization.

Some may suggest that the Inflation Reduction Act (IRA) was intended to address these issues. But this law has failed to deliver on many fronts. Despite its name, the law was marketed as a transformative piece of legislation to tackle climate change, boost clean energy infrastructure, and reduce costs for Americans. It has fallen short of these promises and even worse, has been identified a key source for billions of wasted taxpayer dollars that boosted bureaucracies and democratically aligned corporations. It seems very little has made its way toward improving the energy system is was marketed to save. I would also note we are just beginning to get a picture of this massive waste through the ongoing audit of the Department of Government Efficiency.

One major promise of the IRA was to enhance energy infrastructure through massive investments, including roughly $11.7 billion allocated to the Department of Energy's Loan Programs Office (LPO) to support up to $100 billion in new loans, and an additional $5 billion for the Energy Infrastructure Reinvestment (EIR) program capped at $250 billion.[9] These funds were intended to retool, repower, or replace outdated energy infrastructure and accelerate a forced transition to the Democrat's preferred green energy . The execution of this goal has been inefficient, misdirected, and appropriately referred to as "Solyndra on steroids".[10]

Billions of dollars have flown out the door with very limited oversight or vetting. Some seem to place political connections over technical promise, potential consumer acceptance, or delivering any tangible improvements to our energy system. For example, last summer, DOE granted a South Korean solar company a $1.4 billion loan guarantee despite reports that they violated provisions of the Uyghur Forced Labor Prevention Act.[11]

The IRA also promised massive private investment and modernization of the energy grid through energy tax credits and subsidies for "green" technologies. Estimates range from $270 billion for tax incentives and $369 billion for climate-related spending. Much of the taxpayer dollars continue to sit at various agencies or are for projects that are perpetually in planning and announcement phases. Very little operational infrastructure has actually been built.[12]

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[9] U.S. Department of Energy, "Inflation Reduction Act," (accessed February 24, 2025) available at: https://www.energy.gov/lpo/inflation-reduction-act-2022.

[10] Nico Portuondo, "'Solyndra on steroids': Republicans probe DOE loan money," *Politico* (October 11, 2022) available at: https://subscriber.politicopro.com/article/eenews/2022/10/11/solyndra-on-steroids-republicans-probe-doe-loan-money-00061180.

[11] Sheridan Presso, "Solar Firm Gets Millions in US Tax Credits Despite Chinese Labor Questions," *Bloomberg* (July 9, 2024), available at: https://www.bloomberg.com/news/features/2024-07-09/south-korean-solar-company-secures-us-tax-credits-despite-chinese-labor-question.

[12] Samuel Peterson, "Slash It: The IRA," *Institute for Energy Research* (December 5, 2024) available at: https://www.instituteforenergyresearch.org/regulation/slash-it-the-ira/.

The IRA also promised to lower household energy costs. Some estimate suggested a $500 annual savings per family through clean energy adoption. However, energy prices increased significantly and even President Biden admitted the bill "failed to lower costs for Americans" and lamented his choice in the law's name.[13] The electric vehicle (EV) tax credits—up to $7,500 for new EVs and $4,000 for used ones—promised to reduce transportation costs, but transportation costs increased under the Biden Presidency, up to 25% for new cars.[14]

In addition to Team Biden's 'whole of the government' effort to shut down fossil fuels, the IRA's methane emissions penalties and clean energy mandates undermined investment of existing energy infrastructure. Some of the most egregious examples of the law's shortcoming are the various "investments" in political causes that support the Left to the detriment of taxpayers. Some recent examples include the following:

1. The Environmental Protection Agency (EPA) allocated $50 million from the IRA's $3 billion Environmental and Climate Justice Block Grant program to organizations like the New York Immigration Coalition and the New Jersey Alliance for Immigrant Justice. These groups focus primarily on registering illegal immigrants to vote or accessing domestic support programs.[15]
2. Another $50 million from the same EPA grant program went to the Climate Justice Alliance, an organization linked to anti-Israel protests and broader social justice causes.[16]
3. The EPA's $1 billion Clean School Bus Program, funded by the IRA, aimed to replace diesel buses with electric ones. However, reports indicate that many of these buses—costing up to $400,000 each—have underperformed or remained unused due to charging infrastructure delays, mechanical issues, or lack of driver training.[17]

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[13] Blog from Committee on Energy and Commerce, "One Year Later, Even President Biden Admits the "Inflation Reduction Act" Failed to Lower Costs for Americans," (August 16, 2023) available at: https://energycommerce.house.gov/posts/one-year-later-even-president-biden-admits-the-inflation-reduction-act-failed-to-lower-costs-for-americans.

[14] IER Staff, "Working Families Priced Out Of Car Ownership Under Biden's Proposals*," American Energy Alliance* (August 18, 2023) available at: https://www.americanenergyalliance.org/2023/08/working-families-priced-out-of-car-ownership-under-bidens-proposals/.

[15] Nick Pope, "Biden EPA Giving Millions To 'Immigrant Justice' Groups Registering, 'Mobilizing' Dem-Leaning Voting Bloc," *Daily Caller* (April 16, 2024) available at: https://dailycaller.com/2024/04/16/biden-epa-immigrants-millions-voters/.

[16] James B. Meigs, "A Slush Fund for Radical Protesters? The Biden administration's massive program of "environmental justice" grants appears designed to empower extremist groups." *City Journal* (May 29, 2024) available at: https://www.city-journal.org/article/a-slush-fund-for-radical-protesters.

[17] Thomas Catenacci, "'A Failure': Congressional Investigation Savages Kamala Harris's $5 Billion Electric School Bus Plan," *The Washington Free Beacon* (September 17, 2024) available at: https://freebeacon.com/biden-harris-administration/a-failure-congressional-investigation-savages-kamala-harriss-5-billion-electric-school-bus-plan/.

4. EPA set-up a financial agreement to stash $20 billion from the GHG Reduction Fund prior to inauguration day in an effort to support leftwing groups and causes – investments that would not pass muster under basic oversight.[18] EPA further discovered one of the groups set up to receive $2 billion was linked to Stacy Abrams, a known Democrat operative. The organization had reported only $100 in revenue for 2023 prior to the $2 billion taxpayer injection.[19] A $5 billion grant from this same fund to another non-profit was awarded by a Biden political appointee who has previously worked as the director of policy. According to reports, despite serious questions around a conflict of interest, there are no indications of a 'recusal'.[20]
5. The U.S. Postal Service received $3 billion from the IRA for zero-emission delivery vehicles and charging infrastructure. As of February 2024, $112.3 million was disbursed—$70.9 million for equipment and $41.5 million for infrastructure—but none for vehicles themselves.[21]

Even on a very basic level, assessing promised emissions reductions or rather "tackling climate change", the IRA failed to deliver. A recent report summarized the Act as "spending billions more than projected but has done little to curb carbon emissions."[22] The report further specified that:

> US emissions appear likely to significantly undershoot the original emissions reduction estimates that proponents of the IRA argued the package would achieve. After passage, Princeton's Net Zero project estimated US emissions would fall 50% below 2005 levels by 2035. Last year, they softened this projection to 40% below 2005 levels. A 2024 report from Princeton, Rhodium, Energy Innovation LLC, and MIT found that

[18] EPA Press Office, "Administrator Zeldin Announces that Billions of Dollars Worth of "Gold Bars" Have Been Located at Outside Financial Institution," *US EPA* (February 13, 2025) available at: https://www.epa.gov/newsreleases/administrator-zeldin-announces-billions-dollars-worth-gold-bars-have-been-located.

[19] Victor Nava, "Zeldin EPA discovers $2 billion stashed away by Biden admin for Stacey Abrams-linked climate group," *New York Post* (February 19, 2025) available at: https://nypost.com/2025/02/19/us-news/zeldin-epa-discovers-2-billion-biden-admin-stashed-away-for-stacey-abrams-linked-climate-group/.

[20] Thomas Catenacci, "'Serious Conflicts of Interest': Biden EPA Official Oversaw $5B Grant to His Former Employer," *The Washington Free Beacon* (February 20, 2025) available at: https://freebeacon.com/energy/activist-slush-fund-biden-epa-official-steered-5b-to-his-former-employer/.

[21] IER Staff, "Another Biden-Era Failure: Electric Postal Service Trucks," Institute for Energy Research (December 26, 2024) available at: https://www.instituteforenergyresearch.org/regulation/another-biden-era-failure-electric-postal-service-trucks/.

[22] Scott Lincicome, "The IRA Has Made a Little Climate Bang for a Lot of Taxpayer Bucks," *Cato Institute* (February 13, 2025) available at: https://www.cato.org/commentary/ira-has-made-little-climate-bang-lot-taxpayer-bucks.

deployment trends in low-carbon electricity were insufficient to achieve the goal of 40% reduction in emissions by 2030 established by the IRA. And as we found last year, taking these revisions into account, IRA investments would likely sustain the existing pace of US emissions reductions, not significantly accelerate them.

While touted as the solution to many of the problems discussed today, there is a better approach to solving important energy challenges that involve less taxpayer waste and more tangible improvements. This requires getting away from doling out taxpayer resources to fund pet projects or prioritizing politics in lieu of addressing a problem head on. The good news on the energy front is that we have both the technologies and wherewithal to improve our electrical grid that responsibly uses our abundant energy resources while delivering overdue efficiencies and cost savings to the American people. This subcommittee has an important role in the process. Again, I appreciate the opportunity to be with you today and look forward to your questions.