

Rep. Scott Perry Energy and Commerce Member Day Testimony

Chairman Pallone and Ranking Member Walden,

I'd like to thank the Energy and Commerce Committee for the opportunity to testify this morning regarding my priorities within the committee's jurisdiction. As the focus of the nation's energy policy has shifted in recent years toward reducing greenhouse gas emissions; the policies pursued have increasingly been to the benefit of the wealthy and politically connected at the expense of the American people – the Solyndra scandal, the various “environmental” tax credits that go almost exclusively to wealthy individuals, the regulatory effort under the last administration at the behest of environmental organizations intended to eliminate the coal industry, etc. Not only do these regressive policies have an outsized impact on the most vulnerable among us, they have significantly degraded the American people's trust in their government.

Yesterday's Environment and Climate Change Subcommittee hearing entitled, “Building America's Clean Future: Pathways to Decarbonize the Economy” was the next step in this disturbing trend; giving legitimacy to the fringe “keep it in the ground” movement. The proposed ideas would have crippling effects on the bottom line of each and every one of our constituents while having little to no impact on global greenhouse gas emissions. Despite the usual platitudes about “just transitions for affected workers”, “environmental justice”, and the like, there was no real answer to how destroying the economic driver of my home state of Pennsylvania as well as numerous others could be done in a “just” manner. Little explanation of how these climate actions could be tailored in a way to create economic opportunity for low-income communities and even less evidence was presented showing that this would work.

Similar environmental policies are currently being pursued in the state of California and these same promises were made to low-income Californians. The result, according to a study by the Center for Demographics and Policy at Chapman University:

“In summary, the imposition by the state's Democratic party leaders of highly regressive climate schemes have engendered disparate financial hardships on middle and lower income workers and minority communities,

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while providing direct economic subsidies to wealthier Californians in environmentalist strongholds...”

In light of these findings, I think it is imperative that the conversation shifts from an all-out attempt to destroy entire industries to a more productive conversation about the impact of such actions on the financial well-being of our constituents as well as the massive restrictions on personal freedoms required by this type of policy.

If the Majority is dead-set on imposing onerous restrictions on reliable sources of energy, the least it can do is try to blunt the negative impacts to the American people. Yet, in many cases, mitigating efforts are being stalled either through overt action by this committee or a failure to act. Continuing to prioritize the development of intermittent renewable sources through subsidies and incentives comes at the expense of baseload power operators; many of whom have closed their doors. This government intrusion into the market is unhelpful and actually increases emissions where nuclear plants close. The issues of intermittency, frequency, cost-effectiveness, supply-chain security and integrity, land use requirements, impact on endangered species and environmental degradation is conveniently left out of the conversation about wind, solar, and battery storage. However, these are very real issues and need to be addressed before any attempts to “decarbonize” the economy are pursued.

In the meantime, if the Committee wants to take actions that will result in increased renewable generation, not just capacity, it should move forward with efforts to remove the regulatory burdens inhibiting the further development of the only baseload renewable power source; hydropower. Federally imposed regulatory burdens leave hydropower projects with the longest and most complex development timeline of any renewable technology, often in excess of 10 years while wind and solar can easily go from concept to development in 2 to 3 years.

This disparate treatment of the only baseload renewable source is nonsensical and significantly undermines any regulatory framework aimed at lowering greenhouse gases as it drives private capital away from hydropower projects. These burdens are a major limiting factor on the ability of the industry to expand its footprint. Currently, only three percent of the 80,000 dams in the US

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generate electricity so there is significant potential growth in the industry if these burdens are lessened or removed. Despite this significant regulatory burden on hydropower and the preferential tax treatment received by wind and solar projects, hydropower accounted for 52 percent of all domestic renewable generation in 2018. This is both a testament to hydropower's reliability and a damning indictment of wind and solar power. The playing field could not be more favorable for wind and solar and yet, combined they don't make up the majority of generation.

Rather than pursuing a policy to replace working power generation with one that continues to fail in the most favorable of market environments, we should be leveling the playing field and allowing the free market to drive down prices and clean up the environment; as it has for the past century.