Opening Statement of the Honorable Tim Murphy
Subcommittee on Oversight and Investigations
Hearing on "Department of Energy Oversight: Status of Clean Coal Programs"
February 11, 2014

(As Prepared for Delivery)

Today's hearing will review the status of the Department of Energy's clean coal programs. This oversight will be focused on the department's efforts to advance carbon capture and sequestration, or CCS, technologies at coal-based power plants.

Legislation and regulation in this important area should and must be based on sound scientific and economic facts. Where are we? Where are we going? When can we get there? How do we do it?

Today's testimony, which builds on our oversight work from this past October when we heard from workers and local officials whose coal-dependent communities are suffering in part because of EPA policies — will help us review exactly where DOE is today in its work on CCS. There are many questions about the current status of this technology. Answering these questions, and gathering the underlying facts, will help us understand how carbon capture technologies can work effectively and reliably on coal power plants. The testimony will also help the committee develop a clear and accurate record of what will be necessary – the innovation, the operational experience, the economics, the timeframes – to develop commercially competitive CCS for coal based power generation.

The technical and economic issues DOE confronts are not everything that is needed to determine if CCS can work at a large level in our nation's electricity system. Various legal issues, regulatory issues, infrastructure issues all must be addressed appropriately.

Yet when looking at just the critical technical challenges to CCS for coal plants – challenges for which Congress has appropriated billions of dollars to DOE to address –we have a way to go, on several levels.

First, it has not yet been demonstrated that CCS systems will work reliably at full-scale coal power plants. It is not sufficient to rely upon paper estimates in laboratories or speculation from EPA lawyers about technological feasibility.

Carbon dioxide capture and compression systems have to be integrated into actual, full-scale coal power plants and be shown to operate reliably over time, while maintaining predictable and safe plant operations. And it does not appear DOE will have complete answers about this for at least six to ten years.

Second, the costs to produce electricity have to come down by a large amount to make any successfully demonstrated CCS systems commercially viable in the open market. The first generation CCS technology -- because of increased capital and operating costs and decreased electricity produced for the electric grid -- has been estimated to increase the cost of electricity significantly. At a coal gasification facility, the cost of electricity may be increased by 40 percent; at a pulverized coal power plant, by upwards of 80 percent. This is what DOE's own documents tell us.

Demonstrating full scale CCS is alone not sufficient to make it the standard for the nation's coal based electricity generation. If coal power plants cost too much, nobody will build them.

Energy costs will increase making it even more difficult for families and US manufacturers to compete.

Which brings me to the third point: the research, development, and innovative breakthroughs needed to produce economically viable CCS technologies for coal power will take operational experience and time, decades in fact. This is not my opinion; DOE's own R&D timetables make this point.

Over the past ten fiscal years, more than $7.6 billion have been appropriated to DOE for its clean coal programs. This spending reflects the confidence Congress has placed in DOE and the National Energy Technology Laboratory, or NETL, to help advance these technologies.

Given this spending, and given the current economic and regulatory landscape, oversight is necessary to ensure DOE's stewardship of these funds and goals for its research are effective. It is also necessary to make sure energy and environmental policies match the technological realities. We are all committed to clean air. Period. But moreover, we must be committed to using North American energy resources rather than continuing our trillion-dollar trade deficit with OPEC, or our $4 trillion wards in the Mid East where we have to defend their oil fields.

In this hearing, I hope we will get some straight answers so that we can establish what is truly the status and prospects of DOE's game-plan for advancing coal power technologies. Our two witnesses this morning should be up to the task. Dr. Friedman presently heads DOE's coal programs and has substantial experience working on energy projects at Lawrence Livermore National Laboratory. And Scott Klara, an authority on coal research from the National Energy Technology Laboratory, understands the R&D challenges. I look to you to give us the plain facts, not Washington double-talk.

At the end of the day, straight answers will help this committee determine whether DOE is up to the task of shepherding the innovation that may dramatically advance coal based power, both in terms of efficiency and environmental goals. But I worry that in the rush by this Administration to implement new standards and regulations on coal based power generation, the prospects for successful technological advancement are at risk.

###