

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Subcommittee on Oversight and Investigations Ranking Member Kathy Castor

Hearing on “Fighting the Misuse of Biden’s Green Bank Giveaway”

January 30, 2024

Across the country, American families and businesses already are moving to cleaner, cheaper energy, and they are doing more to protect their homes and businesses by making them more resilient to costly, extreme weather events. Fortunately, the Inflation Reduction Act, passed by Democrats in 2022, is helping accelerate the cost-savings.

I often tout the IRA as a patriotic law because of the extensive “Build America” and “Buy America” incentives and requirements for clean energy components. So far, it is working. Private sector companies have announced over \$600 billion in manufacturing and clean energy commitments over the past three years. The jobs being created are good ones—ones that provide pathways to the middle class. For example, the median annual salary for wind service technicians and solar photovoltaic installers is around \$60,000—nearly 25 percent above the national median. And one study found that workers newly employed by the growing green-energy sector have wages 40 percent higher than they earned in non-energy jobs.

To help our neighbors save money, Congress should be investing more in local resilience and the hurdles to moving to cleaner, cheaper energy. Too often a lack of affordable financing is a major challenge for many projects, especially in low-income and disadvantaged areas.

That is why the Democratic-led Congress, and in fact many members of the Energy and Commerce Committee and the Select Committee on the Climate Crisis envisioned and authorized the Greenhouse Gas Reduction Fund. The Select Committee’s Report recommended: “Congress should establish a national climate bank to finance targeted deployment of clean energy and other decarbonization technologies and climate-resilient infrastructure. The climate bank should capitalize new and existing state and local green banks and finance its own projects. When financing projects ... we should (1) prioritize environmental justice, frontline, and rural communities and communities most affected by the transition to a clean economy; (2) emphasize support for projects without clear revenue models or lacking significant returns, such as certain energy and climate resilient infrastructure; and (3) focus efforts on using innovative financing techniques and structures and market development to fill financing gaps to drive deployment of already proven, commercialized technologies.”

In essence, we envisioned affordable capital for clean projects to leverage private sector investments to enhance the impact of awards. Now thanks to EPA’s leadership, GGRF is ready to launch with the help of state and local communities, tribes, and eligible non-profits under the three competitive funding opportunities—each aligned with the statutory objectives set by Congress and aimed at building sustainable pathways to capitalize clean projects. Like other

programs EPA oversees, award recipients under this initiative will make subawards and loans to expand community lending capacity and support residential solar development. This initiative also includes key environmental justice requirements to ensure that underserved and historically-disadvantaged communities are a central priority – as Congress intended.

My Republican colleagues – so wedded to dirty fossil fuel corporations – often like to muddy the waters with false narratives. So, let's set the record straight. EPA is focused on implementing GGRF as Congress intended and has built a robust process to oversee awards and hold recipients accountable. Every award under this initiative will be subject to stringent financial reporting requirements so EPA can monitor how award funds get used.

EPA requires detailed reports to ensure that projects supported by federal dollars meet key milestones. Additionally, annual audits and record-keeping requirements mean that EPA will be able to independently verify funds are being spent appropriately and proactively detect bad actors. Buy America Act requirements will also make certain GGRF projects rely on American workers and American manufacturers. Those are just the minimum requirements – EPA is also empowered to make awards contingent upon mitigating award-specific risks before awardees receive any money.

We in Congress have the obligation to conduct oversight and make sure this all happens, and that's exactly what we will do. Preventing the costly impacts of the overheating climate is not going to be easy, and we need to make sure that every dollar is going where it should. My colleagues across the aisle should be carrying out this work with us, so that we can help this initiative succeed rather than rooting for it to fail. We cannot that and our neighbors back home cannot either.

I look forward to hearing more about how EPA is implementing GGRF and the steps it is taking steps to safeguard federal investments.

I yield back.