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4 MARKUP OF H.R. _____, ``TO MODERNIZE ENERGY INFRASTRUCTURE,
5 BUILD A 21ST CENTURY ENERGY AND MANUFACTURING WORKFORCE,
6 BOLSTER AMERICA'S ENERGY SECURITY AND DIPLOMACY, PROMOTE
7 ENERGY EFFICIENCY AND GOVERNMENT ACCOUNTABILITY, AND FOR
8 OTHER PURPOSES.''

9 WEDNESDAY, JULY 22, 2015

10 House of Representatives,

11 Subcommittee on Energy and Power

12 Committee on Energy and Commerce

13 Washington, D.C.

14 The Subcommittee met, pursuant to call, at 10:01 a.m.,
15 in Room 2123 of the Rayburn House Office Building, Hon. Ed
16 Whitfield [Chairman of the Subcommittee] presiding.

17 Members present: Representatives Whitfield, Olson,
18 Barton, Shimkus, Pitts, Latta, Harper, McKinley, Griffith,

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19 Johnson, Long, Ellmers, Flores, Mullin, Hudson, Upton (ex
20 officio), Rush, McNerney, Tonko, Engel, Green, Doyle, Castor,
21 Welch, Loeb sack, and Pallone (ex officio).

22 Staff present: Nick Abraham, Legislative Associate,
23 Energy and Power; Gary Andres, Staff Director; Will Batson,
24 Legislative Clerk; Sean Bonyun, Communications Director;
25 Leighton Brown, Press Assistant; Allison Busbee, Policy
26 Coordinator, Energy and Power; Karen Christian, General
27 Counsel; Patrick Currier, Senior Counsel, Energy and Power;
28 Tom Hassenboehler, Chief Counsel, Energy and Power; Brittany
29 Havens, Oversight Associate, Oversight and Investigations;
30 Kirby Howard, Legislative Clerk; A.T. Johnston, Senior Policy
31 Advisor; Peter Kielty, Deputy General Counsel; Ben Lieberman,
32 Counsel, Energy and Power; Alexa Marrero, Deputy Staff
33 Director; Brandon Mooney, Professional Staff Member, Energy
34 and Power; Graham Pittman, Legislative Clerk; Dan Schneider,
35 Press Secretary; Jessica Wilkerson, Oversight Associate,
36 Oversight and Investigations; Jen Berenholz, Democratic Chief
37 Clerk; Christine Brennan, Democratic Press Secretary; Jeff
38 Carroll, Democratic Staff Director; Elizabeth Ertel,
39 Democratic Deputy Clerk; Michael Goo, Democratic Chief
40 Counsel, Energy and Environment; Caitlin Haberman, Democratic
41 Professional Staff Member; Ashley Jones, Democratic Director

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42 of Communications, Member Services and Outreach; Rick
43 Kessler, Democratic Senior Advisor and Staff Director, Energy
44 and Environment; John Marshall, Democratic Policy
45 Coordinator; Alexander Ratner, Democratic Policy Analyst; and
46 Tim Robinson, Democratic Chief Counsel.

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|
47 Mr. {Whitfield.} I would like to call this markup to
48 order. Today we are going to be focusing on legislation to
49 modernize energy infrastructure, build a 21st century energy
50 and manufacturing workforce, bolster America's energy
51 security and diplomacy, promote energy efficiency and
52 government accountability, and other purposes. And I would
53 like to recognize myself for a 5 minute opening statement.

54 First of all, I want to thank the Democratic staff, and
55 the Republican staff, and members on both sides of the aisle
56 for really focusing on this legislation. This is a--still an
57 ongoing process, we are not where we want to be, and it is
58 the first major energy bill that we have had, really, since
59 2007. Much of the nation's energy policy dates back and--as
60 a matter of fact to 1970, and is rooted in assumptions of
61 scarcity that are no longer relevant, in light of rising
62 domestic energy production and declining imports. Parts of
63 our energy policy are badly out of date, and it is beginning
64 to hold back progress.

65 Now, there is a lot of bipartisan support on what we are
66 going to be voting on today. In fact, just about everything
67 we are voting on today is not very controversial at all. We
68 have some provisions in there, for example, that Mr. Rush

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69 wanted, and we have some provisions that Mr. Welch wanted.
70 We have some provisions that some of our members wanted, and
71 basically everybody signed off on them. So this Committee
72 print today is reflective of the accomplishments and
73 compromises agreed upon at this point. And I won't go into
74 all the details of what we are doing here, but I did want to
75 take a minute to focus on some issues that are so important
76 they have got to be addressed, but they are not in this bill
77 yet. But hopefully we report this out of Subcommittee today,
78 and as we go to full Committee, maybe after the August break,
79 and--we will continue to work on these issues, we can address
80 some of these other provisions as well.

81 One of them, for example, as many of you may know, there
82 is an outright statutory prohibition about the Federal
83 Government using any fossil fuels, getting away from fossil
84 fuels by 2030. Well, the President has always talked about
85 an above the--an all of the above energy policy. And we
86 don't know where we are going to be in 2030, but I don't
87 think it is the right policy for a Federal statute to say the
88 Federal Government cannot ever buy fossil fuels for its
89 needs. There is not any other entity in our society today
90 that that is a rule for. We know that fossil--coal prices,
91 for example, there is really less demand for coal, so it is

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92 really not about coal, but it is about flexibility. We also
93 hear about building codes coming out of the Department of
94 Energy. And they don't write these codes, they try to
95 moderate them, but we hear more and more that they are trying
96 to decide, and pick and choose which materials, which
97 technology would be used. Like Vernon-Schrader, both had a
98 bill to address that, to provide more of a balance on it, and
99 we would like to see that addressed in here.

100 We have a real problem, in my view, with the mandatory
101 capacity markets, and the impact of our dash to renewables,
102 which is very important, but what impact does that have on
103 reliability? What additional tools does FERC need to deal
104 with some of those issues? We should also be looking at
105 hydropower modernization. We should also be dealing with the
106 Oil Spill Liability Trust Fund. Those are some issues that
107 we need to be looking at, and I am not even mentioning the
108 export of crude oil, for example, as another issue.

109 So I think we have made remarkable progress to this
110 point, and it would not have happened without a number of
111 people working together. Many members on the Democratic side
112 have come to me, as well as the Republicans, and are asking
113 for--pieces included in this. And Congressman Kennedy was
114 talking about--to me about a special problem that they have

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115 in the Northeast, and--relating to FERC, and I would like to
116 work with him on that, to help out in that situation. So we
117 have many opportunities, and because of the good will that I
118 do believe that exists between our members on both sides of
119 the aisle, and the staffs, I am hopeful that we can bring
120 this all together in a more comprehensive way when we come
121 back in September.

122 So, despite all the difficulties, despite the
123 philosophical differences, despite geographical differences,
124 I think we are moving in the right direction, and I am very
125 excited about our opportunity.

126 [The prepared statement of Mr. Whitfield follows:]

127 ***** COMMITTEE INSERT *****

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|

128 Mr. {Whitfield.} So, with that, I would like to
129 recognize the gentleman from Illinois, Mr. Rush, for his
130 opening statement.

131 Mr. {Rush.} I want to thank you, Mr. Chairman, and I
132 want to--by expressing my appreciation to both you, Chairman
133 Upton, Ranking Member Pallone for this--manifesto that we are
134 about to engage in, this process by which the negotiation of
135 this discussion draft have evolved, and I expect will
136 continue to develop. Mr. Chairman, your remarks are well
137 taken, and I know that we can just get along here on this
138 Subcommittee.

139 Mr. Chairman, as we begin to go down this unsteady path
140 of working on a bipartisan comprehensive energy package,
141 there indeed was a certain amount of skepticism and doubt
142 that I believe was expressed by many on the part of the
143 members of this Subcommittee, as well as coming from the
144 broader public. For it had been quite some time since we had
145 a--demonstration, a manifestation of bipartisanship in order
146 to find common ground, and--to work on some--issues that will
147 help move our nation's energy policy forward.

148 Mr. Chairman, as we continue along this process, you and
149 Chairman Upton have indeed been very responsive to our

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150 concerns, to the concerns that Ranking Member Pallone and I
151 have brought up in regards to process and procedure. And I
152 am pleased with the good faith that has been demonstrated by
153 you, Chairman Upton, and the majority staff in working with
154 our Subcommittee and our full Committee staff to try and
155 resolve both substance and procedural problems, the issues
156 are leading us up to today's Subcommittee markup. I really
157 am proud of the staff on both sides, because over these last
158 month, month and a half, they worked tirelessly,
159 sacrificially to get us to this point. And, again, I applaud
160 them very, very--their every effort, and their very intense
161 involvement in this process.

162 With that said, Mr. Chairman, I think the discussion
163 draft that we are marking up today is an improvement over the
164 legislation that was initially unveiled. But there remains
165 much work to be done as we move forward through this
166 legislative process. Mr. Chairman, this kind of reminds me
167 of my grandmamma back--down in Georgia, preparing a Sunday
168 meal, and she would--we would run into the house as
169 youngsters, and say, grandma, grandma, that cake smells so
170 very, very good. She said, don't get too excited now. It
171 smells good, but it ain't done. So, Mr. Chairman, we know
172 that--I am looking forward to when this cake gets cooked, and

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173 is done, and the American people can delight in its--in the
174 taste of this legislative cake.

175 Mr. Chairman, there are some specifics that I will
176 continue to press for--modernize the grid, and assist low
177 income consumers who might otherwise be impacted by--the
178 nation's aging pipeline infrastructure. That is one of the
179 issues that I am concerned about. While there has been some
180 dialogue in this area, I look forward to holding more
181 substantial discussions on funding, so that at the end of the
182 day we will have positive, meaningful, tangible benefits that
183 warrant the minority's support for the final package.

184 Additionally, Mr. Chairman, in the area of energy
185 efficiency, it is extremely important that the final bill
186 moves the nation forward in that regard. There has been some
187 real progress, Mr. Chairman, made in some provisions that I
188 could not personally support previously, such as the burning
189 standards, which have been improved through stakeholder
190 negotiation. I look forwarding to continuing to work--to
191 find common ground on the remaining outstanding provisions
192 that were included in the initial energy efficiency bill,
193 including repeal of Section 433, the Energy Star warranties,
194 and the building codes provision.

195 I think we all, additionally, Mr. Chairman, realize that

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196 there must be much work left on resolving some of the larger
197 issues from the initial discussion draft, including sections
198 on authorizing post-mortar projects, changing the process for
199 energy exports, and licensing the hydropower projects, just
200 to name a few.

201 Mr. Chairman, there have also--there are also
202 Subcommittee members from our side who do have priorities
203 that they would like to see included in the bill as we move
204 forward to make this a true bipartisan effort. So, Mr.
205 Chairman, while today's markup shows that we are, in fact,
206 making real progress, we must be cognizant of the fact that
207 much work remains, and the final product is far from assured.
208 So, Mr. Chairman, with that I yield back, and I want you to
209 know that, from our side, our members are committed to being
210 robust participants in the days ahead as we move and march
211 toward getting this legislative package before--before the
212 full Congress, and on the President's desk. Thank you, and I
213 yield back.

214 [The prepared statement of Mr. Rush follows:]

215 ***** COMMITTEE INSERT *****

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216 Mr. {Whitfield.} Well, Mr. Rush, thank you very much
217 for that. And at this time I would like to recognize the
218 Chairman of the full Committee, Mr. Upton, for 5 minutes.

219 The {Chairman.} Well, thank you, Mr. Chairman. Today
220 we are going to take an important step as we work to ensure
221 that our energy policies reflect our game changing resource
222 abundance, and fulfill the nation's energy potential in the
223 21st century. No one said this effort would be easy, but
224 today this Subcommittee begins advancing what I am proud to
225 say is the first attempt to put together a broad bipartisan
226 energy package in nearly a decade.

227 We started the process back in July of last year,
228 announcing the beginning of a framework that we called the
229 architecture of abundance. We have worked in a bipartisan
230 fashion to refine it into four titles, modernizing energy
231 infrastructure, 21st century workforce, energy security and
232 diplomacy, and energy efficiency and accountability. I
233 particularly want to commend Subcommittee Chair Whitfield and
234 Ranking Member Rush for their commitment and dedication to
235 working through the process.

236 We held seven legislative hearings, and received
237 testimony from nine different government witnesses, including

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238 the Secretary of Energy, and 38 private sector organizations
239 and experts. Also we had a bipartisan delegation to Europe a
240 few weeks ago that included Ranking Member Pallone, as we met
241 with a number of European officials to discuss areas of
242 mutual cooperation around energy security. I know that we
243 are on a bipartisan roll after 21st Century Cures Act 2 weeks
244 ago on the House floor. Cures was about common sense reforms
245 to outdated medical research policies, and I believe that
246 what we are discussing today is an equally sensible effort to
247 modernize energy policies stuck in the energy security
248 mindset of the '70s.

249 While a lot of work remains, I am pleased that today's
250 draft on the--starts on the right foot, with broad bipartisan
251 support. While it does not encompass the entire universe of
252 issues on the table, the staffs and members will continue
253 their discussions over the next couple weeks in order to
254 advance a broader package when we return after Labor Day.
255 There are several issues that members want to see addressed,
256 including L and G and oil exports, more predictable
257 permitting, rules for cross-border energy infrastructure,
258 provisions on electric reliability in wholesale markets,
259 hydropower forms, and efficiency. I also believe this
260 legislation must go further, to protect our nation's

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261 recyclers and paper products industry.

262 Mr. Pallone and I have committed to working to include
263 several of the Department of Energy's recommendations from
264 its quadrennial energy review into the final draft, including
265 changes to the Strategic Petroleum Reserve, state grand
266 programs for grid and pipeline infrastructure resiliency and
267 modernization, and updates to the Oil Spill Liability Trust
268 Fund. In addition, I want to reiterate my commitment to
269 pipeline safety, which means holding FIMSA accountable for
270 implementing the last round of safety reforms enacted by this
271 Committee, and working with our friends on the Transportation
272 and Infrastructure Committee to, in fact, reauthorize the
273 Pipeline Safety Act before it expires at the end of
274 September.

275 Working on many of these remaining issues will be
276 challenging, but this markup helps to move the process
277 forward to form a bipartisan foundation for some of the tough
278 decisions ahead. By embracing our abundant energy resources,
279 we can deliver so many benefits to folks in Michigan, as well
280 as across the country, affordable prices, greater security,
281 boosted jobs in the economy. I want to thank the Committee
282 for their hard work in getting us this far. I also want to
283 comment Senator Murkowski for the work that she is doing on

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284 the other side of the Capitol, as we try again to work
285 together, and, as Mr. Rush said, get a bill to the President
286 that he can sign. So let us say yes, we can agree to move
287 forward, and I appreciate the work of everyone here on the
288 Committee. I yield back.

289 [The prepared statement of Mr. Upton follows:]

290 ***** COMMITTEE INSERT *****

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291 Mr. {Whitfield.} The gentleman yields back. At this
292 time recognize the gentleman from New Jersey, Mr. Pallone,
293 for 5 minutes.

294 Mr. {Pallone.} Thank you, Chairman Whitfield, and also
295 Ranking Member Rush, for holding this Subcommittee markup.
296 The legislation before us today represents an initial attempt
297 to move forward on comprehensive energy legislation. It
298 represents the combined efforts of members and staff on both
299 sides of the aisle. Included in this legislation are
300 provisions drafted by Representatives Eshoo, Doyle, Green,
301 McNerney, Welch, and Ranking Member Rush. Many of these
302 provisions passed the house last Congress.

303 Chairman Upton and I have had discussions about this
304 legislation, and we have reached agreement on a few key
305 points. First, all provisions at both Subcommittee and full
306 Committee need to be agreed upon by both sides. That is the
307 only way for us to move forward, both at Subcommittee and
308 full Committee. That means that during August and into
309 September, members will have the ability to participate in
310 the process and offer their ideas and suggestions for
311 consideration. Second, we agreed that we would need to find
312 funding for infrastructure programs. We all know that we

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313 need to repair, replace, and upgrade our nation's aging
314 infrastructure. Deteriorating, leaky gas pipelines are a
315 public safety and environmental hazard, as well as wasteful
316 and inefficient. That is why I have proposed, and Mr. Upton
317 has agreed, that funding will be included in this legislation
318 to help accelerate this process.

319 One way to do so is to provide assistance to low income
320 houses served by utilities who are engaged in the costly
321 process of replacing and repairing their natural gas
322 distribution lines. We will look to provide actual dollars
323 to achieve this goal. In addition, it is past time that we
324 modernize our electricity grid. That is why we have also
325 agreed to fund a program to help states and local government
326 upgrade outdated electricity infrastructure in a way that
327 enhances reliability and resiliency. And both of these ideas
328 for funding are based on the DOE's quadrennial energy review
329 recommendations.

330 This bill is a reasonable start, but it is by no means
331 complete, and there are provisions desired by members on both
332 sides of the aisle that have been postponed for further
333 discussion at full Committee, and some provisions in the
334 Subcommittee mark are in brackets, and I have concerns about
335 some of these. In particular I note that both Sections 1108

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336 and 4123 appear in brackets. Section 1108 involves FERC and
337 forward capacity markets in a new way, and requires further
338 study. Before we can agree to that section, we need to hear
339 more from the regional transportation--transmission,
340 operators, I should say, and independent system operators who
341 would be affected by it. Section 4123, relating to DOE's
342 efficiency standards for furnaces, is a bit different. I do
343 not think we need legislation on this issue yet, and we
344 should let the regulatory process play out. And the language
345 in the print represents an agreement reached by the
346 stakeholders, so I will not object to it at this time, but we
347 can't, and really should not wait any longer for an
348 efficiency standard.

349 Finally, let me mention the area of hydroelectric
350 licensing reform. The current set of provisions await
351 further discussion. A number of our members have been
352 working to develop proposals that would help push us forward
353 in this area, and we will continue to work on those
354 proposals. I am willing to support this legislation at this
355 point because I believe it holds the promise of a bill that
356 we can all support at full Committee, but it is by no means
357 guaranteed. Compromises have been made on both sides of the
358 aisle, and further honest efforts to reach principled

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359 compromise will be necessary as we move forward.

360 So I look forward to working on these issues with my
361 colleagues. Again, I want to thank Chairman Upton for, you
362 know, for his cooperation on this. You know, as he
363 mentioned, we are really determined in this Committee to be
364 bipartisan on as many things as we can, and I agree with him
365 that the momentum that came from SGR, and Cures, and TASCA
366 reform should continue, and hopefully this will be a way that
367 we can do similar things on a bipartisan basis. And
368 significant things, hopefully, with regard to energy. So
369 thank you again, Mr. Chairman. I yield back.

370 [The prepared statement of Mr. Pallone follows:]

371 ***** COMMITTEE INSERT *****

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372 Mr. {Whitfield.} The gentleman yields back, and I would
373 like to remind members that, pursuant to Committee rules,
374 that all opening statements will be made part of the record.
375 And--further opening statements, I recognize the gentleman
376 from Texas, Mr. Olson, for 3 minutes.

377 Mr. {Olson.} I thank the Chair. There is a lot of good
378 in this bill, and I thank you, Mr. Chairman, and Ranking
379 Member Rush for all the hard work you have done so far. I am
380 happy to see that we are moving the ball forward on things
381 like international energy cooperation, and protecting our
382 energy infrastructure. Also, like Mr. Rush, I believe that
383 funding the next generations of jobs in the STEM field is
384 crucial, but I hope that work continues, we keep working,
385 through consensus, to go further. For example, I think it
386 makes sense to tackle LNG exports, and infrastructure
387 permitting. We have work to do on things like appliance
388 standards and building codes.

389 I would like to focus my remaining time on a section
390 that is in the bill, Section 1102. It fixes a conflict
391 between energy reliability and environmental laws. If that
392 sounds familiar, it is because my good friends, Mr. Doyle and
393 Mr. Green, and I have been talking about this thing for

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394 years. This is a minor provision, but it fixes a major flaw
395 in existing law. Our power plants get to choose which
396 Federal law they will violate when a power crisis hits--by
397 the DOE to run through your crisis, that operator should not
398 have to pay EPA fines for doing so. This isn't a
399 hypothetical. It has happened before. It could happen
400 easily once again.

401 We aren't trying to circumvent Federal laws, or ignore
402 the EPA. We are talking about common sense--response
403 approach to an energy crisis. And that is why everyone, from
404 FERC, to two Energy Secretaries, has endorsed fixing this
405 glitch in recent years. And that is why the core of this
406 bill has passed our full Committee, and the full House, the
407 112th and 113th Congress, without a vote of opposition. Let
408 us make the third time the charm. I yield back.

409 [The prepared statement of Mr. Olson follows:]

410 ***** COMMITTEE INSERT *****

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411 Mr. {Whitfield.} Thank you, Mr. Olson. At this we will
412 recognize the gentleman from California, Mr. McNerney, for 3
413 minutes.

414 Mr. {McNerney.} Thank you, Mr. Chairman. I want to
415 thank you, and Chairman Upton, for your work, as well as
416 Ranking Member Pallone and Mr. Rush. We got to a good point
417 here. This isn't just a message bill. We actually have both
418 sides want to do something, and willing to work together to
419 get it done. I also want to thank you, Mr. Chairman, for
420 including--provisions that I worked on with my colleagues,
421 Mr. Latta, Mr. Kissinger, and my Grid Innovation Caucus co-
422 Chair, Mrs. Ellmers. These include Section 1104, 1105, 1106,
423 4113 to 4121. Hopefully we can identify additional
424 opportunities in this bill to enhance grid reliability,
425 investment in transmission and distribution, grid
426 optimization, and the integration of technology and other
427 systems of--to support our nation's dynamic energy system.
428 We need to address the energy/water nexus, which is--the
429 discussion draft does touch upon, recognizing the link and
430 importance of energy and water will play a critical role in
431 the years ahead. I will be working with Mr. Latta on this,
432 related to water sense programs, and with Mr. Kissinger on

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433 implementing innovative energy water technologies, mirroring
434 a bill that we introduced yesterday.

435 There are important issues that are not a part of the
436 discussion draft that we must continue to have a constructive
437 dialogue, and one of these issues is hydropower. Hydropower
438 is critical for many Western states, including California.
439 It is a form of clean energy that is cost-effective, can help
440 our goal of reducing greenhouse gas emissions, and improve
441 grid reliability. There are common sense principles that we
442 can agree on, and that will help address some of the concerns
443 that we have heard in testimony before this Committee.
444 Improvements to licensing of non-Federal hydropower should
445 provide resource agencies sufficient time and resources at
446 the beginning of the process to fulfill their missions. This
447 will benefit all parties involved, and reduce the hurdles
448 that we often see at the end of the process.

449 The licensing process can be more effective and
450 economical. This can be done by having Federal and state
451 agencies work together to complete environmental reviews
452 collaboratively and concurrently, rather than sequentially.
453 This will help eliminate duplication, reduce cost, and
454 improve timeliness. We must also enhance accountability and
455 oversight, and make sure that the principles outlined in EPA

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456 Act 2005 are implemented, and use this intended by Congress.

457 I look forward to working with Mrs. McMorris Rodgers on this

458 issue.

459 Finally, the draft does not address climate change.

460 Moving forward the bill needs to have provisions to reduce

461 all forms of greenhouse gas emissions, and address climate

462 impacts. This legislative process has been productive, and I

463 urge my colleagues to continue in a bipartisan fashion. Mr.

464 Chairman, I yield back.

465 [The prepared statement of Mr. McNerney follows:]

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467 Mr. {Whitfield.} The gentleman yields back. At this
468 time we will recognize the gentleman from Illinois, Mr.
469 Shimkus, for 3 minutes.

470 Mr. {Shimkus.} Thank you, Mr. Chairman, and I am going
471 to be brief. I am going to address one issue that I hope we
472 can see as we move forward. It is based upon the 2007 energy
473 bill, and a flaw that was addressed in that bill, which deals
474 with heating and cooling elements, and the effective date
475 based upon when a product is installed, rather than when it
476 is manufactured. So imagine a heating and cooling company,
477 small business, mom and pops, usually--that is--in my area of
478 the country they are family owned businesses, and they have
479 heating and air conditioning elements in a warehouse, but the
480 law says the effective date is when you install, not when it
481 is manufactured. So if the standards change, they have a
482 sunk cost that they can't recover, because they can't move
483 the product.

484 So I hope we can address this simple solution, and make
485 addressing the effective date actually being the manufactured
486 date on the product so then we can kind of get this really--a
487 burden off the small family businesses that will be, you
488 know, having these elements in their warehouse. And with

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489 that, I look forward to moving forward, and I yield back my
490 time.

491 [The prepared statement of Mr. Shimkus follows:]

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493 Mr. {Whitfield.} Thank you very much. At this time we
494 will recognize the gentleman from New York, Mr. Tonko, for 3
495 minutes.

496 Mr. {Tonko.} Thank you, Mr. Chair. I am sure you were
497 hoping the Committee would be a bit farther along on an
498 energy bill, but negotiations take time, we all know that.
499 So I want to thank you for giving us more time to discuss the
500 many important issues contained in the discussion drafts that
501 emerged over the past weeks. I understand our work will
502 continue with the intention of bringing a bill to the full
503 Committee sometime in September. I imagine there are some
504 groups that are disappointed by what is not yet in the bill
505 we will consider today. And I understand, Mr. Chair, that
506 you remain open to including additional provisions as we move
507 forward.

508 Several of us are engaged in an ongoing discussion with
509 stakeholder groups on language related to hydropower
510 licensing, and our intention is to continue working on this
511 issue. I appreciate having the additional time to continue
512 these discussions. I am hopeful that we can come to an
513 agreement on a provision that can be supported by all
514 stakeholders before the full Committee takes up the bill in

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515 the fall. I still have concerns about some of the provisions
516 of the bill that we are still--that we will mark up this
517 morning.

518 I am pleased that the language amending the Federal
519 Power Act in relation to capacity markets has been pulled,
520 pending further discussion. Although the text from Section
521 1208 of the discussion draft was removed, we still have a
522 placeholder in this bill. It is now numbered Section 1108.
523 First, I do not believe our Subcommittee has done nearly
524 enough oversight of capacity markets and how they are
525 operating to come to a consensus about what, if anything, is
526 not operating properly, let alone whether the best path is to
527 address any identified problems through changes to the
528 Federal Power Act.

529 I certainly did not hear anything like a consensus
530 emerge from our hearings on this topic among the different
531 stakeholders who appeared before the Subcommittee. I am
532 continuing to talk with leaders and experts in my home state
533 of New York, and in my region about that language. I hope we
534 can come to a better understanding of the intent and the
535 possible impacts of the language in this section, and in
536 Section 1107 before we move forward in September. Again, I
537 do thank you for removing the language from the bill so that

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538 we can pursue this topic further as it relates to both
539 Section 1108 and Section 1107.

540 I am disappointed that the bill still includes language
541 that interferes with the rulemaking underway to strengthen
542 the standards for non-weatherized furnaces for residences and
543 mobile homes. This rule has been under development for a
544 number of years, and it has been over 25 years since these
545 standards have been strengthened. The interest groups on
546 either side of this issue have been negotiating with each
547 other, with the Department, and through the courts, for that
548 matter, for quite some time now. The technology is well
549 ahead of this policy change. I believe any remaining issues
550 can, and should, be resolved through the ongoing rulemaking
551 process. Further delay of these standards simply results in
552 consumers using, and paying, for more natural gas than is
553 necessary to heat their homes. I intend to support the bill
554 today, but I am supporting it based on any optimism that we
555 can incorporate additional provisions that are more focused
556 on energy issues of the future. The nexus of energy and
557 water, achieving greater energy efficiency, increasing the
558 proportion of energy we derive from renewable sources, and
559 expanding our commitment to the manufacture, and the use, of
560 clean energy technologies.

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561 This current draft is not very forward looking. And
562 although the draft's stated intention is to modernize energy
563 infrastructure, it does little to achieve that goal. The
564 bill virtually ignores the relationship between energy and
565 climate, and it appears to define energy security primarily
566 in terms of benefits of expanding markets for oil and gas.
567 That sounds more like income security for the oil and gas
568 industry than energy security for our United States energy
569 consumers. I think we can, and we should, do much better.

570 I came to Congress because of my belief that we need a
571 comprehensive, forward-looking national energy policy. I
572 have come to realize what a tall order that is. Energy
573 issues are still fundamentally regional in nature. We do not
574 yet have a national consensus on energy policy beyond our
575 recognition that we need energy, and that we need it at an
576 affordable price. But the price of staying the same energy
577 course that we have traveled since the early 1900s is
578 growing. We need a transition, and I hope we can facilitate
579 some of the transition in this bill as we move forward.

580 So I thank you, Mr. Chair, and our Ranking Member Rush.
581 I thank our General Chair Upton, and our Ranking Member
582 Pallone for moving this process along. I look forward to
583 continuing to work with you, your team, and the other members

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584 of this Committee to develop a good bipartisan product. With
585 that, I yield back.

586 [The prepared statement of Mr. Tonko follows:]

587 ***** COMMITTEE INSERT *****

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|

588 Mr. {Whitfield.} The gentleman's time has expired. At
589 this time recognize the gentleman from Texas, Mr. Barton, for
590 3 minutes.

591 Mr. {Barton.} Well, thank you, Mr. Chairman, and let me
592 say that I think the work product before us is the product of
593 bipartisanship. I participated last night in a reception,
594 the 10 year anniversary of the 2005 Energy Policy Act. John
595 Dingell, Jeff Binghamson--or Jeff Binghamton on the
596 Democratic side, and myself, and Senator Domenici on the
597 Republican side, we are the four senior leaders in a
598 bipartisan, bicameral basis. That piece of legislation, it
599 was very similar in the beginning to this. Lots of folks
600 were upset about what wasn't in the bill, and some people
601 were upset about what was in the bill. It passed the House
602 with 275 votes. It passed the Senate with 74 votes. It is
603 still the basic energy law of the land.

604 I think Mr. Rush and Chairman Whitfield have done an
605 excellent job of seeing where the issues are, and I think the
606 fact that we are having regular order, Mr. Chairman, is a
607 good thing. That speaks well for final success. I plan to
608 vote for it today. There are obviously things that I would
609 like to see in the bill, just like 10 years ago. I wanted to

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610 open up Anwar, and I was full Committee Chairman. I didn't
611 get to do that. My friends on the Democratic side didn't
612 want to do it, and the Speaker of the House, Mr. Hastert, and
613 the majority leader and the minority leader in the Senate
614 counseled me against pushing it, and I listened to them. So
615 even as Chairman of the Committee and of the conference,
616 there were things that I didn't get.

617 I do hope at some point in time, Mr. Chairman, the one
618 thing that I think would enhance this would be H.R. 702,
619 which would repeal the ban on crude oil exports. We have
620 over 100 co-sponsors on that bill from 36 states, and it is
621 bipartisan. It has the votes to pass the Committee,
622 Subcommittee, the House, and the Senate, and the President
623 will sign it. But just like 10 years ago, there are still
624 things--people that are--have concerns about it, and you, and
625 Mr. Upton, and Mr. Rush, and Mr. Pallone have counseled
626 against putting it in this package. And I agree with that,
627 but I do hope we can move it as a standalone.

628 But basically, Mr. Chairman, I just want to commend you
629 and Mr. Rush for the process. Things that last have to be
630 bipartisan. What we are going to pass today is bipartisan.
631 The things that we do at full Committee will be--will enhance
632 that. And I do believe those of us that support the package

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633 at some point in time this fall will get an invitation to the
634 White House for a signing ceremony. Energy is the bedrock of
635 our economy. We are blessed with the natural resources. We
636 are best--blessed with the technology, and we are blessed
637 with the people to use those resources, combined with that
638 technology, to produce the world's largest, best, most
639 efficient economy. It starts right here, in this
640 Subcommittee, with this bill, Mr. Chairman. With that, I
641 yield back.

642 [The prepared statement of Mr. Barton follows:]

643 ***** COMMITTEE INSERT *****

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|

644 Mr. {Whitfield.} Thank you, Mr. Barton. At this time I
645 would like to recognize the gentleman from New York, Mr.
646 Engel, for 3 minutes.

647 Mr. {Engel.} Thank you, Mr. Chairman. I want to
648 commend the Chairman, the Ranking Member, and the staff on
649 both sides of the aisle for their hard work on this
650 legislation. It is one of the reasons why this is such a
651 terrific committee. They have made tremendous progress
652 toward developing bipartisan legislation that we can all
653 support, but we still have a long way to go, in my opinion.
654 In particular I want to take a minute or two to highlight
655 some provisions that still require significant attention.

656 First of all, there is a placeholder in this legislation
657 for Section 1108 entitled, ``Reliability and Performance
658 Assurance in Mandatory Capacity Markets''. The New York
659 Association of Public Power reached out to me, and I assume
660 to Mr. Tonko as well, to express their concern that this
661 section could lead to the FERC establishment of a mandatory
662 capacity market in New York, where no such market currently
663 exists. The capacity market operated by the New York
664 Independent System Operator is different from those in other
665 regions, and so I wanted to make sure going forward that New

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666 York's system is properly accounted for in this legislation.

667 I am also concerned about the energy security and
668 diplomacy provisions in Title 3. Several sections in this
669 cite, including Section 3102, ``Establishing Energy Security
670 Evaluation Methods'', and Section 3103, ``Developing a North
671 American Energy Security Plan'', fail to take advantage of
672 the expertise and resources available to us at the Department
673 of State. State is the lead U.S. foreign affairs agency, and
674 the Secretary of State is the President's principal foreign
675 policy advisor. Of course, to the extent that this
676 legislation considers things like global energy markets, and
677 the collective needs of U.S. allies and partners, and
678 coordinates with Canada, Mexico, and our energy security
679 partners in the Caribbean and Central America, I think it is
680 absolutely vital that the State Department plays a prominent
681 role.

682 I look forward to working with my colleagues on both
683 sides of the aisle to address these and other issues as we
684 work to improve this legislation going forward. I thank you,
685 Mr. Chairman, and I yield back the balance of my time.

686 [The prepared statement of Mr. Engel follows:]

687 ***** COMMITTEE INSERT *****

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|

688 Mr. {Whitfield.} Gentleman yields back. Mr. Pitts, do
689 you seek recognition? The Chair recognizes the gentleman
690 from Ohio, Mr. Latta, for 3 minutes.

691 Mr. {Latta.} Well, thank you, Mr. Chairman, and Ranking
692 Member Rush. It is important that we continue the good work
693 that has been done this year to advance comprehensive energy
694 legislation, and I am pleased that several of the provisions
695 that I have worked with the Committee on are included in
696 today's draft. The first is Section 1104, which amends the
697 Federal Power Act to better protect critical electric
698 infrastructure by enabling the Federal Government and private
699 entities to respond to, and mitigate, grid security
700 emergencies. This section also allows for the protection and
701 sharing of critical electric infrastructure, information
702 voluntarily between private sector asset owners and the
703 Federal Government. While we have--while we hope to avoid
704 grid emergencies, it is important to prepare and have in
705 place the--and the ability to share the information before an
706 emergency situation occurs.

707 The second is Section 4122, which requires the
708 Department of Energy to recognize voluntary third party
709 verification programs that demonstrate compliance with energy

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710 efficiency standards. The Energy Star program will ensure
711 manufacturer compliance with the program requirements under
712 this language. Currently DOE also requires that
713 manufacturers spend millions of additional dollars to certify
714 and verify product standards directly to the agency.
715 Essentially, the same tests are conducted two times, once at
716 taxpayer expense, in the same facilities, on the same
717 equipment. This doesn't make sense for businesses or
718 taxpayers, and I am pleased to have this language included.

719 While I am pleased about many of the sections in the
720 bill, I would have liked that this draft contain the
721 provision that Mr. Welch and I have worked on, the Energy
722 Star Program Integrity Act, which had positive testimony in
723 our efficiency hearing. This language addresses a recent
724 threat that has emerged which could pull--which could
725 ultimately chill participation by consumers and
726 manufacturers. Despite the continued success and oversight
727 of the Energy Star program, a gap in Federal law allows
728 private mitigation, in addition to the EPA administered
729 enforcement mechanism, against a manufacturer when a product
730 falls out of compliance with the program. Since the existing
731 EPA oversight process has proven successful, our bill simply
732 codifies it. I look forward to working with the Committee to

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733 have this portion included when we advance to full Committee.

734 Finally, I would like to mention a provision that Mr.

735 McNerney and I have been working on dealing with the Water

736 Sense Program. I will not be offering this provision today,

737 but plan to work with the Committee going forward on language

738 which was set out in statute. The Water Sense Program at EPA

739 is a voluntary program. This allows for a label that enables

740 consumers to have more information about products which save

741 water for their homes, yards, and businesses.

742 I want to thank the Chairman again for holding today's

743 markup. Our country needs an energy policy that reflects the

744 abundant energy supply that we are so fortunate to have, and

745 I look forward to working to advance this legislation. And,

746 Mr. Chairman, I yield back.

747 [The prepared statement of Mr. Latta follows:]

748 ***** COMMITTEE INSERT *****

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|

749 Mr. {Whitfield.} The gentleman yields back. At this
750 time I will recognize the gentleman from Texas, Mr. Green,
751 for 3 minutes.

752 Mr. {Green.} Thank you, Mr. Chairman, and Ranking
753 Member, for holding the hearing today. Today's hearing is an
754 accumulation of months of work between the minority and
755 majority. The bill contains two provisions I am especially
756 proud of. The first section, 1102, the Resolving
757 Environmental and Grid Reliability Conflicts, I worked with
758 my colleagues Pete Olson and Mike Doyle to draft this
759 legislation, and this will be the third time we passed it out
760 of this Subcommittee. The language is common sense reform,
761 and it will keep the lights on for my constituents in Texas,
762 so I am pleased it will be included.

763 The second section, 2101, of the Energy, Manufacturing,
764 Workforce Development Act, I am pleased to be an original co-
765 sponsor of this language with my good and Ranking Member
766 Bobby Rush. As many of you know, I represent a large
767 Hispanic population in my district, including hundreds of
768 energy development companies. This language will go a long
769 way toward helping my constituents train for the jobs that
770 surround our area. I want to thank Mr. Rush for his--

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771 recognizing the gap in our workforce efforts in putting this
772 language together.

773 Overall the bill is a good start, but we need to--more
774 than just starter language. There are three pieces of the
775 discussion draft that I am disappointed were not included.
776 The first is LNG exports, the language that formally
777 discussed, and was debated and negotiated to the point where
778 we received a lot of bipartisan support from the Committee
779 and on the floor. I look--I know a lot of attention is
780 turned to oil exports, and we should look at that, but let us
781 not lose our focus. LNG exports projects to cost billions of
782 dollars, and generate thousands of jobs that cannot be
783 outsourced.

784 The second issue is the cross-border infrastructure
785 language. We build pipelines safely, which includes strong
786 oversight from PHMSA. We must protect the environment in
787 case of disaster, and we should include provisions that
788 provide funds for that cleanup. Just so there is no
789 confusion about the language, I want to explain what it does.
790 The bill would give statutory authority to the Department of
791 State, FERC, and Department of Energy to permit cross-border
792 infrastructure, including electric lines and pipelines. This
793 bill would maintain comprehensive NEPA authority for the full

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794 scope of the cross-border project. This includes direct and
795 indirect cumulative effects on the environment. The
796 Congressional Research Service has reviewed the legislation,
797 confirmed that the NEPA review applies to the entire project.
798 This bill excludes the Keystone Pipeline. It includes a
799 public interest determination by the lead agency. We are
800 building bridges, roads, highways, and now we must build
801 pipes and wires, as suggested by the quadrennial energy
802 review. The bill protects the environment review, and
803 recognizes the impacts these projects have on North America.
804 I hope we will include this language.

805 Finally, I want to address Section 433 of the Energy
806 Independence and Security Act. While I support the
807 development of oil and gas, I also am a big supporter of
808 renewables. But it is unrealistic in this language to expect
809 Federal buildings to identify and select only renewables for
810 power generation. It is vital that we can reform the
811 language of Section 433 to increase the use of renewables,
812 but as--also acknowledges the realities of the marketplace.

813 With that, I would like to acknowledge all the staff
814 members on both sides who have put an enormous amount of work
815 to this point. However, in my view, the work is just
816 beginning, and I look forward to supporting the bill, and

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817 yield back.

818 [The prepared statement of Mr. Green follows:]

819 ***** COMMITTEE INSERT *****

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|

820 Mr. {Whitfield.} The gentleman yields back. Are there
821 members on the Republican side seeking recognition for an
822 opening statement? The gentleman from Ohio, Mr. Johnson, is
823 recognized for 3 minutes.

824 Mr. {Johnson.} Thank you, Mr. Chairman, and thank
825 Ranking Member Rush for holding this markup. I want to first
826 express my support for the legislation that we are marking up
827 today. I am encouraged by the direction that it is heading,
828 and I am hopeful that before the full Committee markup we can
829 improve upon certain sections of this legislation through
830 continued bipartisan negotiations. For instance, I believe
831 that the language contained in H.R. 351, the LNG Permitting,
832 Certainty, and Transparency Act, would be an excellent
833 addition to Title 3, Energy Security and Diplomacy. This
834 language will help bring certainty to the Department of
835 Energy's review process for LNG export applications, create
836 jobs, and continue spurring America's manufacturing comeback,
837 along with providing a stable source of energy to our allies
838 in Europe and around the world.

839 Additionally, H.R. 351 has already garnered significant
840 bipartisan support from members on this Committee, along with
841 the entire House of Representatives. In fact, it passed the

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842 House with 41 Democrats voting in favor of it, while
843 receiving no veto threat from the President. With that kind
844 of support, the inclusion of this language is common sense,
845 Mr. Chairman, and it is reflective of this Committee's energy
846 initiative, that is a bipartisan approach to updating our
847 energy policies to reflect America's changing energy
848 landscape.

849 I look forward to working with my colleagues on both
850 sides of the aisle to include this important language within
851 this bill. I thank you for the time, and with that, I yield
852 back, Mr. Chairman.

853 [The prepared statement of Mr. Johnson follows:]

854 ***** COMMITTEE INSERT *****

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855 Mr. {Whitfield.} The gentleman yields back. At this
856 time the Chair recognizes the gentleman from Pennsylvania,
857 Mr. Doyle, for 3 minutes.

858 Mr. {Doyle.} Thank you, Mr. Chairman. I think this
859 Subcommittee markup represents a good first step for this
860 bill. We have been able to find common ground on a number of
861 measures that will reform and improve our policies at the
862 Federal level, and there are some much needed changes here.
863 I am pleased, as was mentioned before, that the bipartisan
864 provision on grid reliability that Mr. Olson and Mr. Green
865 and I worked on for years is in this bill today. And it is
866 my hope we can continue to iron out some of the other
867 provisions included in the discussion drafts, and do so in a
868 bipartisan way.

869 Mr. Chairman, our country's energy landscape has changed
870 dramatically in the past 5 years, and we can't or shouldn't
871 just stand by and watch this incredible change. We need to
872 take steps to ensure that our country's producing affordable,
873 cleaner power for our constituents, that our nation's energy
874 sources are secure and resilient in the face of cyberattacks,
875 terrorist attacks, severe weather, and, yes, global warming,
876 and that we are filling these positions with good high paying

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877 jobs, with--for--with people working here in our country.

878 Our country's abundant natural resources provided us
879 with an incredible advantage at its beginning, when it was
880 called the New World, and continuing through the Industrial
881 Revolution. Our ingenuity and hard work harnessed these
882 resources, and helped create the strongest economy and
883 country in the world. We still abundant natural resources
884 today, and here is the good news, we may be at another
885 tipping point, a crucial period in which we have the
886 opportunity to change the energy and economic landscape of
887 the world, and to do so to our advantage. But to do that,
888 Mr. Chairman, we need to build an energy infrastructure, and
889 we need money to do that. I hope this bill is going to
890 contain the resources to do some of the critical things we
891 need.

892 I see over in the Senate the highway bill has \$9 billion
893 coming from the SPRO. We know that we used a significant
894 amount of money from the SPRO in 21st Century Cures. I hope
895 we just can avoid this robbing Peter to pay Paul kind of
896 mentality that seems to exist around here, and actually
897 invest some money in the energy infrastructure of our
898 country, which will pay back American taxpayers a hundredfold
899 once we get that all done. So I am hopeful that this bill

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900 has some revenue sources in it that are going to make it
901 possible to do the work that this Committee needs to do.

902 We need to come up with cleaner and more efficient ways
903 to use fossil fuels. Just because the U.S. and a handful of
904 other countries bring more renewables into their energy
905 portfolios, and I support that 100 percent, it doesn't mean
906 that China, or India, or other countries are going to stop
907 burning coal. So we need to find those technologies that are
908 going to allow us to burn fossil fuels cleaner and more
909 efficiently. We need to help usher in an energy Renaissance
910 with these new technologies.

911 This bill can be a bipartisan achievement, and I think
912 the work of this Committee so far has been an important first
913 step. I hope we can continue the bipartisan work and tackle
914 the other real pressing issues that we have before us. Mr.
915 Chairman, thank you for the time, and I yield back.

916 [The prepared statement of Mr. Doyle follows:]

917 ***** COMMITTEE INSERT *****

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918 Mr. {Whitfield.} Thank you. And at this time the Chair
919 recognizes the gentlelady from North Carolina, Mrs. Ellmers,
920 for 3 minutes.

921 Mrs. {Ellmers.} Thank you, Mr. Chairman, and I would
922 like to start off by thanking Chairman Upton, Chairman you--
923 Whitfield yourself, the--Ranking Members Pallone and Rush, as
924 well as Committee staff for their hard work and willingness
925 to work with me on modernizing our nation's electric grid,
926 and updating U.S. energy policy. I would also like to thank
927 the co-Chair of the Grid Innovation Caucus, our colleague
928 Jerry McNerney from California, for coming across the aisle
929 to work on a--transformer reserve program, as well as the
930 smart appliance and cyber-sense provisions. In addition to
931 my co-Chair from California, I would also like to thank
932 Representatives Olson, Latta, and Griffith for their
933 continued support of the Strategic Transformer Reserve
934 Program itself.

935 As the co-Chair of the Grid Innovation Caucus, grid
936 security, reliability, and modernization are priorities of
937 mine. I think this bipartisan comprehensive energy package
938 is a step in the right direction as we begin to bring the
939 nation's aging electric infrastructure into the 21st century.

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940 Moving forward there are a few things I would like to see
941 this Committee take up for consideration. I believe we can
942 further promote grid innovation technologies that enhance
943 reliability, resiliency, and operational efficiency of the
944 grid. Additionally, we should further encourage and protect
945 base load energy sources to ensure that we have affordable
946 and reliable energy. It is very important that the U.S.
947 maintain a diverse energy portfolio and move forward with an
948 all of the above and below approach.

949 I would also like to revisit reliability assessments to
950 ensure our constituents will not be harmed from the misguided
951 Federal policies that have the potential to ultimately
952 disrupt their access to affordable and reliable electricity.
953 We have the opportunity to provide much needed reform to the
954 DOE's Appliance Standard Program, as well as improve the
955 furnace provision to shield consumers from the costly and
956 overbearing DOE mandate.

957 Mr. Chairman, I look forward to moving this process
958 along and updating the U.S. energy policy to unleash our full
959 energy potential so we can ensure that our constituents
960 receive affordable and reliable electricity. And I yield
961 back the remainder of my time.

962 [The prepared statement of Mrs. Ellmers follows:]

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963 ***** COMMITTEE INSERT *****

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964 Mr. {Whitfield.} The gentlelady yields back. At this
965 time recognize the gentlelady from Florida, Ms. Castor, for 3
966 minutes.

967 Ms. {Castor.} Thank you, Mr. Chairman, and good
968 morning. I want to thank my colleagues for their good
969 bipartisan work on this energy package. The last major
970 energy bill that passed out of the Energy and Commerce
971 Committee was in 2007, when I was a freshman member of the
972 Congress. In those days we had our sights set on very
973 forward thinking energy policy, and we focused on the
974 changing climate. And we need to get back there to address
975 the major challenges facing our great country.

976 In the meantime, however, this is a good bill. It is a
977 modest one, but it is a step in the right direction. One of
978 the most important provisions in the bill is one authored by
979 my friend and colleague, Congressman Bobby Rush, the Ranking
980 Member of the Subcommittee. It aim--his provision aims to
981 improve education and training for energy and manufacturing
982 related jobs, particularly for minorities, women, and
983 veterans. It is a bipartisan provision that provides a
984 pathway to employment for minorities and other historically
985 underrepresented communities in the energy--sectors.

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986 We have a real challenge here, and it is important that
987 we are proactive in this country in connecting students with
988 the jobs of the future. His provision creates a strategy of
989 collaboration between the Federal Government, industry,
990 schools, community colleges, universities, labor unions,
991 workforce organizations, and other stakeholders to help
992 identify students and other candidates to enroll in training
993 and apprenticeship programs for energy and manufacturing
994 related jobs. In my home state of Florida there are over
995 130,000 Floridians who currently work in 14,000 clean energy
996 businesses. And in my Congressional district alone I have
997 over a dozen solar energy companies, companies that focus on
998 waste to energy, energy efficiency, and large electric
999 utilities, and we need to plan for the work force of the
1000 future.

1001 This piece of legislation also complements the
1002 Department of Energy's sun shot initiative, such--the solar
1003 instructor training network, and the Solar Ready Vets
1004 Initiative. If you haven't heard about these, I hope you
1005 will look into them. Solar instructor training is an effort
1006 to address a critical need for high quality local training in
1007 solar energy systems, design, installation, and inspection.
1008 And we currently have over 30,000 students across the country

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1009 being trained in these careers. The University of Central
1010 Florida is the leader in the Southeast.

1011 And then the--I hope you will also help us promote the
1012 Solar Ready Vets Initiative. It is currently operating at
1013 four military installations, with a goal of expanding to 10
1014 military installations. In the Tampa Bay area, not only do
1015 we have a sizable population of veterans due to the presence
1016 of MacDill Air Force Base, but a fantastic research
1017 institution at the University of South Florida, the Clean
1018 Energy Research Center.

1019 We need to unleash American ingenuity, and I hope this
1020 first step, we can build upon it in another bill to address
1021 the huge issues facing our great country. I will look
1022 forward to doing so. Thank you, Mr. Chairman. I yield back
1023 the balance of my time.

1024 [The prepared statement of Ms. Castor follows:]

1025 ***** COMMITTEE INSERT *****

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|

1026 Mr. {Whitfield.} The gentlelady yields back. Are there
1027 other members who seek recognition? The gentleman from
1028 Texas, Mr. Flores, is recognized for 3 minutes.

1029 Mr. {Flores.} Thank you, Mr. Chairman. I appreciate
1030 the great work that has been done in leading up to this
1031 markup today. In 2013-2014, Governor Bobby Jindal and I co-
1032 authored a piece called ``Organizing for Abundance, Making
1033 American Energy Super Powered'', and I notice how close the
1034 title of this bill is to that one. We are called
1035 Architecture of Abundance. Our writings were intended to
1036 create a 21st century American energy strategy, and I
1037 appreciate how much of that document has been incorporated in
1038 what we have today.

1039 We all know that, because of the American energy
1040 revolution, we now lead the world in oil and gas production.
1041 This improved energy security translates into an improvement
1042 in our economy, and also our national security. The Energy
1043 Information Administration forecast increased energy
1044 production through 2020, and that will result in increased
1045 demand for American energy jobs. Meeting these growing needs
1046 and all aspect of the energy industry, including oil and gas,
1047 nuclear, coal, and renewables, provides hard working

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1048 Americans significant opportunities for great paying jobs,
1049 and I am pleased to see that the 21st century workforce title
1050 is included in this package. This legislation ensures that
1051 we will have the skilled workers to continue to fuel our
1052 American energy revolution for years to come, and it also
1053 provides great opportunities for America's military veterans.

1054 I commend the Subcommittee's bipartisan work on this
1055 bill today, including the opportunity for oil and gas furnace
1056 stakeholders to participate in the development of standards
1057 that receive consensus support. The Energy Department's
1058 current proposed mandate is costly and expensive to
1059 consumers, and I am pleased that we have--to ensure that this
1060 rule is fixed. Moreover, the DOE does not take into account
1061 the significant differences in heating demand in the U.S.
1062 across the country.

1063 I also look forward to our ongoing discussions regarding
1064 additional provisions that I hope we will consider during
1065 full Committee markup, and other markups leading up to that.
1066 First, it is important that we further integrate energy
1067 markets with our friends and allies. The American energy
1068 revolution has fundamentally altered the global energy
1069 picture, and we owe American families and consumers a
1070 modernized energy policy that reflects this new reality by

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1071 lifting the sanctions on the export of our domestic oil
1072 production. Why would we lift it for Iran if we don't even
1073 lift it for America's oil and gas producers?

1074 Second, lifting the outdated bans on LNG and crude oil
1075 exports will enable us to sustain this energy revolution at
1076 home and bring lower overall cost and price stability for
1077 consumers.

1078 Third, I believe that we need to consider energy
1079 efficiency language that includes energy efficiency through
1080 the use of rational building codes, with some necessary
1081 reforms. We need to ensure that legislation and regulations
1082 in this regard do not unnecessarily hurt America's lower
1083 income families.

1084 Fourth, any reforms would need to ensure that the Energy
1085 Department and its representatives act in a transparent
1086 manner, and do not advocate on behalf of certain products or
1087 technologies, essentially picking winners and losers. These-
1088 -provisions receiving Energy Department support must also be
1089 cost-effective to home buyers, particularly, again, lower
1090 income home buyers and renters.

1091 Fifth, I look forward to working with Chairman
1092 Whitfield, Ranking Member Rush, and my colleagues on the
1093 Committee as we move forward to advance and make improvements

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1094 to this bipartisan bill. Thank you, and I yield back the

1095 balance of my time.

1096 [The prepared statement of Mr. Flores follows:]

1097 ***** COMMITTEE INSERT *****

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|

1098 Mr. {Whitfield.} Thank you, and at this time the Chair
1099 recognizes the gentleman from Vermont, Mr. Welch, for--

1100 Mr. {Welch.} Thank you very much, Mr. Whitfield. I
1101 also want to thank you, and Mr. Rush, Mr. Upton, and Mr.
1102 Pallone for your good leadership on this bill, and what I
1103 would call the good leadership is you inviting Republicans
1104 and Democrats to present their good ideas, and encouraging us
1105 to work together. This is a good first step, as you
1106 mentioned. There are a number of provisions in here that I
1107 have been working on with Republican and Democratic
1108 colleagues. The Future of Industry Program with Mr.
1109 McKinley, energy efficiency schools, principally authored by
1110 Mr. Cartwright, not on this Committee, but very interested in
1111 what we are doing, energy savings through public/private
1112 partnership that I worked on with Mr. Kinzinger. Thank you,
1113 Adam. Voluntary verification programs for air conditioning,
1114 furnace boiler, and heat pumps that Mr. Latta has been
1115 championing.

1116 There are two things, though, I want to say. Number
1117 one, we are getting close to being self-congratulatory, and
1118 in an understandable way, because this Committee is working
1119 together. But when it comes to this challenge of the new

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1120 energy future in this country, Rome is burning. I mean, we
1121 have got this wild weather in Vermont, we have got droughts
1122 in California, this is a real clear and present danger. So
1123 whatever good work we are doing here is a first step. We
1124 have got an awful lot more work to do about a very serious
1125 and urgent challenge for this country. It is the climate
1126 that is being affected. And my view is that if we take this
1127 on with confidence, and with boldness, we are actually going
1128 to improve the economy as we improve the climate.

1129 The second thing is that--I would like to see our
1130 Committee do some things that acknowledge that there is real
1131 hardship on a lot of folks that are being affected by change
1132 in the energy sector. And I have in mind, more than anything
1133 else, the coal workers. Mr. McKinley and I have been talking
1134 about that, but the coal field workers have been getting
1135 hammered, and it is not through any fault of their own. We
1136 don't have coal in Vermont, but we have workers who are like
1137 the coal workers. They show up for work, they do their job.
1138 They didn't create climate change. They didn't institute
1139 what the policies are, or the market conditions that are so
1140 devastating their work.

1141 So I think one of the elements of our work going forward
1142 is to recognize that even as we make change, or even as

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1143 market conditions impose change, we cannot leave those
1144 workers, who have kept the lights on in this country, behind.
1145 And I say that as somebody from a non-coal state. And I feel
1146 a real obligation in my state to help folks in other states,
1147 where those coal miners have been going into those mines, to
1148 help them get back on their feet, help them get their
1149 communities back strong. And I would like to see our
1150 Committee work together on that. And my view is that if
1151 acknowledge that those workers are really important, that we
1152 can then not have this whole debate about changing energy
1153 policy being about winners and losers. We have all, in
1154 America, got to be winners. I yield back.

1155 [The prepared statement of Mr. Welch follows:]

1156 ***** COMMITTEE INSERT *****

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1157 Mr. {Whitfield.} Thank you, Mr. Welch. At this time
1158 recognize the gentleman from Oklahoma, Mr. Mullin, for 3
1159 minutes.

1160 Mr. {Mullin.} Well, you almost messed up on that one.
1161 We have the real Oklahoma State University, the OSU, not the
1162 other one. Mr. Chairman, thank you, and Mr. Welch, I do
1163 appreciate those comments, because so often that is
1164 overlooked. If I could talk just a second about this
1165 architectural abundance, which is, you know, vitally
1166 important, because we need to be looking down the road, and
1167 as a proponent--as a hydropower, as a viable energy source, I
1168 hope that we can work together to ensure that the final bill
1169 includes robust hydropower reform, but most importantly I
1170 believe this framework will only be strengthened if we
1171 include in the language about lifting the outdated crude oil
1172 export ban. This issue is only getting a lot of attention
1173 because of what is going on around the world.

1174 Earlier this year the Foreign Affairs Committee held a
1175 hearing on the global impact of the ban. A few weeks ago the
1176 House Ag Committee said that the energy costs are a strain on
1177 the ag industry, which I can tell you that is so true,
1178 suggesting that lifting the crude ban would lower fuel costs,

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1179 which would only lower our costs at the grocery store. Even
1180 more, we actively discussed this issue in our Committee, and
1181 I really appreciate that, but depending on which estimate you
1182 cite, America is now, or soon will become, the world's
1183 largest oil producer. This was unheard of just a few years
1184 ago. I am concerned that the longer we wait to repeal this
1185 ban, the more risk we are at losing American jobs. Jobs are
1186 increasingly at risk the longer we wait to deliver the
1187 important issue for states, like mine.

1188 Mr. Chairman, we have a tremendous potential to increase
1189 American standing in the global energy market. Like many, I
1190 am concerned with the current volatility in the global energy
1191 market, resulting in the violence and geopolitical unrest in
1192 the Middle East. With groups like ISIS now in the picture,
1193 national security issues are on the forefront of everyone's
1194 mind.

1195 We know that OPEC is artificially flooding the global
1196 market now to compete against our domestic product. What
1197 better way to go after OPEC than to be able to more freely
1198 combat their product on the global market? We are at a
1199 crossroads of uncertain future, unless we act. Production is
1200 up, consumption and--is down, and our dependence on foreign
1201 oil is at a steady decline. Now is the time to lift this

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1202 outdated crude oil export ban. I hope that we can work
1203 together to include language to lift this outdated ban as we
1204 draft--as this draft moves forward. Mr. Chairman, I yield
1205 back.

1206 [The prepared statement of Mr. Mullin follows:]

1207 ***** COMMITTEE INSERT *****

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1208 Mr. {Whitfield.} The gentleman yields back. Are there
1209 other members that would like to make opening statements?

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|

1210 H.R. _____

1211 Mr. {Whitfield.} If not, then the Chair, at this point,
1212 would call up the Committee print, and ask the Clerk to
1213 report.

1214 The {Clerk.} Committee print to modernize energy
1215 infrastructure, build a 21st century energy and manufacturing
1216 work force, bolster America's energy security and diplomacy,
1217 and promote energy efficiency and government accountability,
1218 and for other purposes.

1219 [The bill follows:]

1220 ***** INSERT 1 *****

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1221 Mr. {Whitfield.} Without objection, the first reading
1222 of the bill is dispensed with, and the bill will be open for
1223 amendment at any point. So ordered.

1224 Are there any bipartisan amendments to the bill? Are
1225 there any amendments to the bill? Marvelous, marvelous.

1226 The question now occurs on forwarding the Committee
1227 print to the full Committee.

1228 All those in favor say aye.

1229 All those opposed, nay.

1230 The ayes appear to have it. The ayes have it, and the
1231 bill is favorably reported.

1232 Without objection, the staff is authorized to make
1233 technical and conforming changes to the legislation approved
1234 by the Subcommittee today. So ordered. And, without
1235 objection, the Subcommittee stands adjourned. Thank you.

1236 [Whereupon, at 11:10 a.m., the Subcommittee was
1237 adjourned.]