

**Opening Statement of Chairman Greg Walden**  
**Subcommittee on Energy**  
**Hearing on “Federal Energy Related Tax Policy and its Effects on**  
**Markets, Prices, and Consumers”**  
**March 29, 2017**

*(As prepared for delivery)*

Over the last decade, the United States has undergone an energy revolution. Old assumptions have been proven wrong and the future of energy production is brighter than it has ever been. The shale revolution made the peak oil theory obsolete, while technological advances, combined with greater market competition have driven power sector emissions down below 2005 levels. And new information and communication technologies are providing consumers new insights into their energy consumption habits that were once taken for granted. While some of these developments have been assisted by federal policy, the bulk of the changes are the result of market forces over the last decade.

So much of our federal energy policy is designed to address an antiquated marketplace that looks entirely different than the one we see emerging today. This is especially true regarding tax policy. A host of energy-related provisions have intermittently been added to the tax code over decades. This includes everything from tax credits for renewable electricity production to incentives for installing energy-saving devices in our homes. There are also provisions that create favorable depreciation schedules for certain energy investments. The list goes on.

We have allowed these tax measures to accumulate without sufficient oversight, and it is time to give them a long-overdue check-up. For example, it is not hard to find instances where tax credits encourage a particular activity but tough regulations and lengthy permitting delays are at the same time discouraging it. We are also seeing more state-level interventions through tax and non-tax policy in the markets, which add another layer of complexity to this issue.

It is important for us, the committee of jurisdiction on energy matters, to understand *all* of these energy-related policies and view them in an integrated fashion.

The stakes could hardly be any higher. Getting energy tax policy right can preserve millions of jobs in the energy and manufacturing sectors while potentially adding many more in emerging sectors in the years ahead. Our efforts can also bolster our

economic strength as America continues to emerge as the 21<sup>st</sup> century's newest energy superpower and expand its export market opportunities.

However, what ultimately matters most are these policy impacts on consumers. We need to do what is best for households struggling to pay the electric or gas bill. Open and competitive markets are the surest way to keep prices down for families while taking full advantage of the technological improvements that give consumers more control over the way they use energy.

This Congress, we will examine how energy and electricity markets, and the policies affecting those markets, are impacting consumers. Congress will also need to consider ways to modernize and better integrate tax-related energy policy. But before we reach that point, we need to have a broader understanding of where our energy policies stand right now, and that is why we are here today.

I welcome today's witnesses and look forward to hearing their thoughts on today's energy policies.