

Opening Statement of Chairman Fred Upton
Subcommittee on Energy “Building a 100 Percent Clean Economy: Solutions
for the U.S. Power Sector”
October 30, 2019

As Prepared for Delivery

Thank you, Mr. Chairman. And thank you to our witnesses for appearing before us, especially those that have traveled from out of town to be with us today.

Today’s hearing examines an issue that this Committee spent a considerable amount of time on last Congress through our bi-partisan *Powering America* hearing series. While this hearing appears to be part of the Majority’s legislative effort to decarbonize the entire American economy by 2050, I would urge the Chairman not to politicize this issue. We owe it to our constituents to take this seriously and work together.

Over the last decade, the United States has become the world’s leading producer of oil and natural gas. We import less and we are more energy secure today than ever before because of it. Thanks to hydraulic fracturing and the shale revolution, we are all reaping these benefits in the form of affordable and reliable supplies of energy – from gasoline to electricity.

We are also leading the world in carbon emissions reductions, and we didn’t need a top-down Federal mandate, or Waxman-Markey’s cap and trade. We owe it to the free market and competition for our tremendous progress to reduce

emissions. These are facts that we should keep in mind as we hear proposals for new Federal mandates, carbon taxes, or complicated emissions trading schemes.

Our power sector has been at the forefront of significant change as natural gas has overtaken coal as the primary fuel used to generate electricity for our homes, factories and businesses across the United States. With the rise of natural gas, we are seeing early retirements of baseload coal and nuclear plants and increases in generation from intermittent renewables led by wind and solar.

We are also seeing shifts in consumer preferences and new technologies are being developed to monitor, store, and distribute energy across the grid. At the same time, increasing energy efficiency has kept electricity consumption relatively flat, even as our economy continues to grow.

In its annual energy outlook, the Department of Energy's Energy Information Administration (EIA) predicts a continued decline of electricity generation from both coal and nuclear power plants, with a significant shift toward natural gas and an increase in renewables. By 2050, EIA predicts that 31% of electricity will be produced from renewables; 39% from natural gas; 12% from nuclear; and 17% from coal.

Of course, as you would expect, these trends are not uniform across the country. They vary significantly by region depending on available resources and

market prices. What works in my home state of Michigan may not work in other parts of the country due to the climate, or the amount of sunshine and wind we receive.

We must also recognize that States – rather than the Federal government – are the primary drivers of the trends we see today, because many of them, including Michigan, have developed legally binding portfolio standards that require electricity suppliers to source their electricity from designated renewable resources or eligible technologies. We also have independent regional entities authorized by the Federal Energy Regulatory Commission (FERC) that have developed complex market rules governing the operation of the electric grid.

Thanks to the rise of affordable natural gas, improvements in efficiency, and the leadership of the States, carbon dioxide emissions are down about a third from 2005 levels. This is a tremendous accomplishment, but I am confident with balanced, market-driven policies, we will continue to make progress.

As this Committee examines the challenges and opportunities associated with reducing emissions from the power sector, I will be particularly focused on the issues that matter most to my constituents: the cost of electricity, the reliability of our electric grid, and the diversity of options for consumers.

We also need to have reality-based discussions on energy infrastructure – specifically, how we can get it built within reasonable time frames and costs. The permitting process for energy generation, distribution, and transmission infrastructure – whether it is a solar farm, a natural gas pipeline, offshore wind, or a transmission line – has to be improved. While I do not agree with proposals like the Green New Deal, if the Majority is pursuing these kind of radical transformations of our country’s energy system, shouldn’t getting infrastructure built as quickly and safely as possible be at the top of their “to do” list? I encourage them to talk to utilities, engineers, and union workers about the realities of infrastructure permitting – and then sit down with us to discuss how we can solve the problem.

With that, I look forward to hearing from the witnesses today – especially Mr. Bear with the Midcontinent Independent System Operator, which is responsible for maintaining the reliability of the grid in 15 states, including Michigan. I look forward to discussing some of the more practical challenges and considerations, such as how these policies could impact affordability for consumers.

Thank you. I yield back.