

**Opening Statement of Republican Leader Fred Upton
Subcommittee on Energy Hearing on “Offshore Wind, Onshore Benefits:
Growing the Domestic Wind Energy Industry”
October 21, 2021**

As Prepared for Delivery

Thank you, Mr. Chairman. And thank you, to our witnesses, for appearing before us today. A special welcome to the Honorable Mr. Menezes, the former Deputy Secretary of Energy and a former Energy and Commerce Chief Counsel for energy and environment. It’s good to have you back.

Mr. Chairman, I’m troubled by the topic of today’s hearing. As you know, we are in an energy crisis right now, which is what I believe this Committee should be focused on. The price of gasoline and many energy commodities are at 7-year highs. The average price of gasoline in my home state of Michigan is \$3.30 – almost double what it cost last year.

Compared with last winter’s heating costs, the Department of Energy forecasts U.S. households will spend 54% more for propane, 43% more for heating oil, 30% more for natural gas, and 6% more for electricity to heat their homes.

Last week, Republican Members of the Committee sent a letter to DOE Secretary Granholm to understand what specific actions DOE is taking to address energy prices and supply shortages.

We need to know what steps DOE is taking to encourage more U.S. energy production and reduce our growing reliance on foreign oil. As we all know, the U.S. was a net energy exporter in 2019, but since President Biden took office, we are back to relying on Russia and the Middle East for energy imports.

We also need to know which Federal policies may be causing or contributing to energy price increases. I suspect the cancelation of the Keystone XL pipeline and the moratorium on drilling on Federal lands and offshore waters has played a role.

Congress should also understand how proposed environmental regulations and policies – like the push for economy-wide net-zero greenhouse gas emissions – will impact consumer’s energy bills. We must look before we leap and gather those facts.

We should be studying the energy crisis in Europe and the impact it is having on global energy markets and prices.

Europe bet big on offshore wind, and the track record is not good. The world read the headlines: in September, the winds in the North Sea stopped blowing, forcing regional energy markets to scramble for natural gas to heat homes and power businesses. Russia – Europe’s largest supplier of gas – seems to be the

biggest winner, and ironically, Europe is burning more coal due to the high gas prices.

Here in the U.S., we only have seven offshore wind turbines. One commercial project off Rhode Island that has been plagued with maintenance and operational difficulties, and one small pilot project off the coast of Virginia.

The Biden Administration plans more than 3,000 new offshore turbines by 2030, but it is very difficult to imagine that any projects will get built without substantial tax-payer and rate-payer subsidies.

Offshore wind faces serious obstacles - including those related to poor economics, operating reliably in harsh conditions, onshore and offshore permitting challenges, negative environmental and fishery impacts, workforce and labor issues, marine traffic and shipping, and concerns expressed by the Department of Defense. The list goes on and on.

While I am optimistic that technological innovation and American ingenuity will bring advances in offshore wind, I believe this Committee should focus on ways to lower energy prices for consumers in the near-term.

With that, I look forward to today's testimony and hearing from Mr. Menezes on ways Congress can address the current energy crisis.

I yield back.