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6 THE FISCAL YEAR 2025 DEPARTMENT OF ENERGY BUDGET

7 WEDNESDAY, MAY 1, 2024

8 House of Representatives,

9 Subcommittee on Energy, Climate, and Grid Security,

10 Committee on Energy and Commerce,

11 Washington, D.C.

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16 The Subcommittee met, pursuant to call, at 10:00 a.m. in  
17 Room 2123, Rayburn House Office Building, Hon. Chairman Jeff  
18 Duncan presiding.

19 Present: Representatives Duncan, Burgess, Latta,  
20 Guthrie, Griffith, Bucshon, Walberg, Palmer, Curtis, Lesko,  
21 Pence, Armstrong, Weber, Allen, Balderson, Pfluger, Joyce,

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22 Allen, Carter, and Rodgers (ex officio); DeGette, Peters,  
23 Fletcher, Dingell, Matsui, Tonko, Veasey, Kuster, Schrier,  
24 Castor, Sarbanes, Cardenas, and Pallone (ex officio).

25 Staff Present: Sarah Burke, Deputy Staff Director;  
26 David Burns, Professional Staff Member; Marjorie Connell,  
27 Director of Archives; Nick Crocker, Senior Advisor & Director  
28 of Coalitions; Seth Gold, Professional Staff Member; Sydney  
29 Greene, Director of the Operations; Rebecca Hagigh, Executive  
30 Assistant; Nate Hodson, Staff Director; Tara Hupman, Chief  
31 Counsel; Daniel Kelly, Press Assistant; Sean Kelly, Press  
32 Secretary; Alex Khlopin, Staff Assistant; Peter Kielty,  
33 General Counsel; Emily King, Member Services Director; Elise  
34 Krekorian, Counsel; Drew Lingle, Professional Staff Member;  
35 Mary Martin, Chief Counsel; Brandon Mooney, Deputy Chief  
36 Counsel; Kaitlyn Peterson, Clerk; Karli Plucker, Director of  
37 Operations (shared staff); Kate Roberts, Digital Director;  
38 Peter Spencer, Senior Professional Staff Member; Dray Thorne,  
39 Director of Information Technology; Waverly Gordon, Minority  
40 Deputy Staff Director and General Counsel; Tiffany Guarascio,  
41 Minority Staff Director; Brian Hall, Minority Energy Fellow;  
42 Mackenzie Kuhl, Minority Digital Manager; Kristopher Pittard,

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43 Minority Professional Staff Member; Emma Roehrig, Minority  
44 Staff Assistant; Kylea Rogers, Minority Policy Analyst;  
45 Andrew Souvall, Minority Director of Communications, Outreach  
46 and Member Services; Medha Surampudy, Minority Professional  
47 Staff Member; and Tuley Wright, Minority Staff Director,  
48 Energy, Climate and Grid Security.

49

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50           \*Mr. Duncan. The Subcommittee on Energy, Climate, and  
51 Grid Security will now come to order. And I would like to  
52 take a moment to welcome our newest member to the  
53 Subcommittee, Congressman Rick Allen from Georgia. Welcome  
54 to the Subcommittee.

55           The Chair will now recognize himself for a five-minute  
56 opening statement.

57           Welcome to today's hearing to review the Department of  
58 Energy's performance and fulfillment of its statutory  
59 responsibilities and to examine the department's fiscal year  
60 2025 budget request to Congress.

61           Welcome back to the Committee, Secretary Granholm.

62           The Department of Energy has immense national security  
63 responsibilities to protect America's energy security and to  
64 oversee the nation's nuclear weapons program.

65           DOE also conducts and oversees taxpayer-funded research  
66 and development and provides loans and grants to help  
67 commercialize energy-related technologies. These hearings  
68 are essential to ensure that the department is sticking to  
69 its core mission, and acts as a responsible steward of  
70 taxpayer resources. These hearings are essential.

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71           Members will also have an opportunity to examine the  
72 Department of Energy's expanding budget request. This year,  
73 the Department of Energy is requesting \$51.4 billion. Since  
74 fiscal year 2021, the DOE's budget has increased by about \$12  
75 billion, and that is about a 30 percent increase.

76           After three years of President Biden's war on American  
77 energy, the American people are suffering. The  
78 administration's blind obsession to transition everyone away  
79 from fossil fuels is straining household budgets. It is  
80 putting the American dream further and further out of reach  
81 for many struggling families.

82           Inflation is out of control. Sky-high energy prices and  
83 persistent supply chain shortages are impacting our economy  
84 and our safety. From groceries to electric bills, everything  
85 costs more under President Biden's energy policies.

86           Americans expect that when we flip the switch or turn  
87 the key, that power comes on immediately. In America, if you  
88 want to build a home or expand a business, we expect that the  
89 infrastructure can be built quickly and predictably.

90           Regrettably, under President Biden, supply chain  
91 shortages and price spikes have crippled our economic growth

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92 and made it more difficult to build out new infrastructure.  
93 The Department of Energy has played a role in the energy  
94 price spikes and persistent supply chain shortages. DOE has  
95 mismanaged our strategic petroleum reserves, draining the  
96 stockpile to its lowest level in the nation's history with no  
97 credible plan to replenish it and no plan to increase  
98 domestic energy production.

99           The DOE has turned a blind eye to punitive EPA  
100 regulations that have forced the premature retirement of our  
101 most affordable and reliable coal, gas, and nuclear power  
102 plants and threatened the reliability and stability of our  
103 electric grid.

104           The DOE has pursued a radical climate agenda to impose  
105 new federal regulations for household appliances, electrical  
106 equipment, building construction, and natural gas usage.

107           The DOE also recently imposed a ban on the issuance of  
108 new LNG export permits, a political reward for the Keep It in  
109 the Ground climate activists in an election year.

110           As the Committee learned during a field hearing in Port  
111 Arthur, Texas, the LNG export ban has created hardships and  
112 pain for thousands of workers and families along the Gulf

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113 Coast, and it is made us less secure as a nation.

114 The Democrats' radical transition plans, and the  
115 Department of Energy's refusal to accept and address the  
116 threats facing our energy systems, has required Congress to  
117 act. Under the Republican majority, the House has passed a  
118 bipartisan legislation to rein in the Department of Energy  
119 and the Biden administration.

120 At the beginning of this Congress, we passed H.R. 1 to  
121 unleash American energy and modernize our energy  
122 infrastructure. In the months that followed, we passed bills  
123 to reverse punitive regulations and policy decisions that the  
124 Secretary of Energy has signed off on.

125 We passed legislation to reverse the ban on gas stoves,  
126 to prevent the DOE from draining our strategic petroleum  
127 stockpile and selling it to China, and to reverse the DOE's  
128 moratorium on new LNG export permits.

129 Today's hearing will allow the Secretary of Energy to  
130 answer for the Biden administration's war on American energy.  
131 We stand at a pivotal time in our nation's history, and the  
132 decisions that are made today will impact our kids and  
133 grandkids for generations.

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134           We have a simple choice. We can embrace America's  
135 energy abundance and submit our position as the world's  
136 number one energy superpower, or we can follow the Biden  
137 administration's plan to rely on China for batteries,  
138 electric cars, and solar panels made with slave labor and  
139 environmental abuses.

140           As it has been said in this Committee before, I believe  
141 we need an American energy expansion, not an energy  
142 transition to China.

143           A critical part of this energy expansion is nuclear  
144 energy, and I am pleased with this administration's  
145 dedication to expanding nuclear energy, and I look forward to  
146 continuing the work with both my colleagues here in Congress  
147 and the Biden administration on advancing that particular  
148 goal.

149           With that, I look forward to today's hearing.

150           [The prepared statement of Mr. Duncan follows:]

151

152           \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

153



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154           \*Mr. Duncan. And I will yield my time back and  
155 recognize the Ranking Member of the Subcommittee, Ms.  
156 DeGette, for five minutes.

157           \*Ms. DeGette. Thank you so much, Mr. Chairman. And  
158 thanks, and good morning, Secretary Granholm. It is great  
159 having you with us today.

160           I want to commend you and your agency for the critical  
161 work that you have been doing to help combat the climate  
162 crisis and also to support our efforts to speed our  
163 transition towards renewable energy.

164           As I have said countless times before, the climate  
165 crisis is truly an existential threat to the future of this  
166 planet, and we have to start addressing it right away.  
167 We know the only way to do it is by significantly cutting our  
168 greenhouse gas emissions as quickly as we can while  
169 preserving our economy and our way of life.

170           But to do that, we have to start that transition to  
171 clean energy right now. Breaking our reliance on fossil  
172 fuels will not only help us stave off the worst effects of  
173 the climate crisis, but it will also protect consumers across  
174 the country from sudden increases in energy costs, and it

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175 will make sure that all Americans have access to the reliable  
176 energy that they need.

177         And so I appreciate your leadership. I appreciate the  
178 hard work of the Department of Energy employees in  
179 implementing three historic bills that are cutting costs for  
180 working families, creating new jobs, and addressing the  
181 climate crisis.

182         The Infrastructure Investment and Jobs Act provided \$1.2  
183 trillion to our nation's infrastructure. The Inflation  
184 Reduction Act invested \$369 billion in clean American energy  
185 leadership and addressing greenhouse gas pollution, while the  
186 Chips and Science Act boosted domestic research and  
187 manufacturing right here in the United States.

188         And the Department of Energy's proposed fiscal year 2025  
189 budget complements and builds upon those efforts and pushes  
190 us closer to achieving net zero emissions and a clean energy  
191 future. By increasing funding for key research projects and  
192 initiatives and continuing to focus on supply chain  
193 development and workforce transition, the Department is  
194 helping us create a cleaner, more diverse energy portfolio  
195 here in the United States.

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196           The agency's plans to invest \$18.1 billion for energy  
197 programs, including \$8.6 billion for the Office of Science,  
198 will help advance the research, development, and  
199 demonstration of clean energy technologies, and also support  
200 the work that is being done by our national laboratories.

201           While there is no doubt we still have a long way to go  
202 in completing this clean energy transition, the investments  
203 that will be made under the budget will provide critical  
204 support to this incredibly important endeavor. For example,  
205 it will provide \$180 million for the Office of Clean Energy  
206 Demonstrations to support large industrial decarbonization  
207 projects.

208           And it includes \$1.6 billion to support the clean energy  
209 workforce and to help fund key infrastructure projects across  
210 the nation, including millions of dollars to help low-income  
211 communities weatherize and retrofit their homes to lower  
212 energy costs for families that have been forced to  
213 disproportionately bear the brunt of this climate crisis.

214           Each one of these proposals will play a critical role in  
215 helping us to control the climate crisis. They will also  
216 help us not only stabilize the cost of energy here at home,

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217 but will help lower the cost of energy for many Americans by  
218 making critical new investments to increase energy efficiency  
219 and drive the innovation of new clean energy technologies.

220 The budget also makes common-sense investment in cyber  
221 and energy system security. I know that is important both to  
222 the Chairman and myself, as well as environmental health and  
223 management for low-income communities.

224 It includes \$142 million for the Energy Information  
225 Agency, whose work provides critical energy information and  
226 data that involves our work. And it includes \$149 million  
227 for the DOE Office of the Inspector General to make sure that  
228 taxpayer funds are being used efficiently and effectively.

229 I believe that the budget will further support the work  
230 DOE has been doing to make the United States a leader in the  
231 clean energy transition.

232 And I once again want to thank you, Madam Secretary, for  
233 being here today.

234 Mr. Chairman, before I yield back, the majority's  
235 hearing memo had a number of errors in it when it came to  
236 stating components of the DOE's fiscal year 2025 budget  
237 request. In one situation, it misstated the total amount

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238 spent on energy programs by \$9 billion. You can see it is a  
239 lot of little type and numbers.

240 So because I want to make sure that it is the record of  
241 this hearing, so I want to make sure it reflects reality. So  
242 I would ask unanimous consent to insert the DOE's own budget  
243 estimate into the record.

244 \*Mr. Duncan. Without objection, so ordered.

245 \*Ms. DeGette. Thanks. And with that, I yield back.

246 [The prepared statement of Ms. DeGette follows:]

247

248 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

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250           \*Mr. Duncan. The gentlelady yields back.

251           I will now recognize the Chair of the Full Committee,  
252 Mrs. Rodgers, for five minutes.

253           \*The Chair. Secretary Granholm, welcome back.

254           Today is an opportunity to discuss the President's  
255 budget and priorities for the Department of Energy. This  
256 Committee plays a critical role in ensuring U.S. energy  
257 security and leadership. For decades, America has led the  
258 way. We have harnessed the power of nuclear energy,  
259 electrified millions of rural Americans' homes with clean  
260 hydropower, and ushered in the Shell Revolution, creating  
261 millions of new jobs, empowering economic prosperity.

262           America was able to achieve this through free market  
263 principles, entrepreneurship, and giving people the  
264 opportunity to choose which energy sources best suit their  
265 needs. Energy and Commerce Republicans have been working to  
266 protect and expand this legacy for generations to come.

267           The Biden administration, on the other hand, seems to be  
268 dismantling that legacy. This administration's policies  
269 continue to put America on a dangerous path that harms our  
270 security and gives our adversaries like China control over

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271 our energy supply chains.

272           This administration has consistently sought to prevent  
273 or slow the development of American oil and gas resources,  
274 which are critical to our own energy security as well as the  
275 security of our allies. DOE has been complicit in these  
276 actions with the effective ban on new LNG exports.

277           American LNG has been a lifeline, especially to our  
278 European allies, since Russia invaded Ukraine. In the  
279 aftermath of this invasion, American LNG helped them reduce  
280 their natural gas prices by over 83 percent and reduce their  
281 dependence on Russia. This ban sends a signal to our allies  
282 that we are no longer a dependable energy partner. We find  
283 this unacceptable.

284           Another example is the recent decision to limit energy  
285 development in more than half of the National Petroleum  
286 Reserve in Alaska. Doubling down on policies to restrict oil  
287 and gas, to retire baseload power generation, and to promote  
288 widespread, unaffordable, unreliable electrification is not  
289 how we secure our energy future.

290           And unfortunately, it is Americans that are feeling the  
291 impacts of this radical rush to green agenda. Since

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292 President Biden took office, electricity prices have risen  
293 some 30 percent. That is almost 50 percent more than overall  
294 inflation.

295 Unilateral actions like these taken by the  
296 administration continue to drive out affordable, reliable  
297 baseload generation needed to keep prices low, keep the  
298 lights on. Grid operators and others have been sounding the  
299 alarm for years, warning that the U.S. is on a dangerous,  
300 unsustainable path. Continuing down this path will mean  
301 higher energy prices and more catastrophic blackouts across  
302 the country, like what is already happening in places like  
303 California.

304 As the head of DOE, it is the Secretary's responsibility  
305 to ensure American energy security and leadership. Yet, this  
306 department continues to stand by and watch as EPA imposes  
307 requirements that harm our ability to generate reliable  
308 power. Is the department ceding its energy and grid  
309 expertise to the EPA?

310 EPA policies like their new particulate matter standards  
311 will make permitting new manufacturing and industry almost  
312 impossible, impossible in large regions across the country.



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313           And I would like to understand why DOE thinks that we  
314 can succeed under these types of anti-manufacturing, really  
315 anti-American policies, which are undermining the very  
316 manufacturing programs DOE supports to help restore American  
317 leadership in critical energy materials and reduce our  
318 reliance on China.

319           Instead of undermining American energy and economic  
320 success, let's work together to build on our remarkable  
321 legacy, which has transformed the human condition, lifted  
322 people out of poverty, raised the standard of living more  
323 than any other nation in the world.

324           And the best way to do this is with a strong energy mix  
325 that takes advantage of the resources we have here at home,  
326 lower costs for Americans, and prevents us from being reliant  
327 on China.

328           This administration's forced transition will leave our  
329 economy dangerously dependent upon supply chains controlled  
330 by China and make energy less affordable, less reliable for  
331 Americans.

332           I believe the Department of Energy serves a critical  
333 role in assuring sound energy policies and also providing the

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334 support necessary for innovation to flourish.

335 That is the goal today, and I look forward to the  
336 Department of Energy stepping up so that we can accomplish  
337 that goal. I yield back.

338 [The prepared statement of The Chair follows:]

339

340 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

341

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342           \*Mr. Duncan. The gentlelady yields back.

343           The Chair will now recognize the Ranking Member of the  
344 Full Committee.

345           And just as a side note, we lost a colleague, Donald  
346 Payne, and I thought Mr. Pallone's comments on the floor the  
347 other day were very apropos, and I appreciate what you said  
348 about my friend. I will recognize Mr. Pallone for five  
349 minutes.

350           \*Mr. Pallone. Thank you, Mr. Chairman, for what you  
351 said, and I will remind my colleagues that if they would like  
352 to go to the funeral for Donald Payne, there is a plane going  
353 on Thursday morning, and it will be back by the end of the  
354 day to Newark for the funeral. We would certainly like you  
355 to come.

356           Let me just say I wanted to welcome the Secretary, and  
357 it is great to have you again before the Energy Subcommittee,  
358 but I have to disagree with the Chair in sort of a general  
359 sense that I do believe that you and this administration have  
360 done more to achieve energy independence than anyone else  
361 since I have been here.

362           If you look at the record, the fact of the matter is

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363 that this President and you have encouraged energy  
364 independence by actually increasing the amount of both oil  
365 and natural gas that is produced here.

366 When you talk about LNG, for the record, the reality is  
367 that although we have this public interest review that you  
368 are conducting, the fact is that there are more LNG exports  
369 than ever before. Anything that is been permitted already is  
370 already in the pipeline, is constantly being produced, and  
371 our allies in Europe have enough LNG for the next five years.

372 This administration and I also take the position that  
373 while we prioritize clean energy, and we want to move towards  
374 clean energy and renewables, that doesn't mean that we are  
375 not producing more oil and natural gas. It doesn't mean that  
376 we are not exporting more LNG. It doesn't mean that we are  
377 also trying to increase nuclear output and new nuclear  
378 plants.

379 I think the energy mix that the Chair talked about is  
380 exactly what you have been trying to do, all of the above, an  
381 energy mix to achieve energy independence. We are more  
382 independent today, in my opinion, than we have ever been  
383 under any other previous administration. I think it is

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384 exciting to see all the hard work pay off from both the  
385 Bipartisan Infrastructure Law and the Inflation Reduction  
386 Act.

387         These laws are expected to reduce greenhouse gas  
388 emissions in the United States to 40 percent below 2005  
389 levels by 2030. These two laws are growing and modernizing  
390 our economy for the future, cutting costs for working  
391 families, advancing clean energy projects across the country,  
392 and tackling the climate crisis while we try to reduce any  
393 dependence on China and grow our manufacturing here.

394         The DOE is at the forefront of implementing these  
395 landmark laws, and new funding announcements come out from  
396 your office almost every day.

397         Since the Inflation Reduction Act passed, companies have  
398 moved forward over 500 new clean energy projects, leading to  
399 over 271,000 new jobs already.

400         And I am also pleased that the Biden administration,  
401 unlike the previous Trump administration, is finalizing  
402 energy efficiency rules that help Americans save money and  
403 reduce emissions. These recently finalized energy efficiency  
404 standards for residential refrigerators and freezers could

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405 save families more than \$36 billion over 30 years while  
406 avoiding 101 million metric tons of carbon emissions.

407 Now, of course, the Committee Republicans continue to  
408 target these standards, passing bills that are nothing more  
409 than gifts to corporate polluters. I understand we may have  
410 one of these bills up as early as next week. And it is just  
411 a shame because people want more efficient appliances.

412 They talk about freedom to have whatever refrigerator  
413 you want. I think of freedom as a democracy, not the freedom  
414 of the refrigerator, but whatever.

415 We are bolstering American manufacturing with massive  
416 investments in domestic manufacturing. But Republicans  
417 continue to ignore the fact that other countries around the  
418 world, including China, are investing in clean energy and  
419 ensuring their ability to compete in a global market.

420 Madam Secretary, under your leadership, we have seen  
421 investments over \$120 billion in battery manufacturing and  
422 supply chains and over \$35 billion in electric vehicle  
423 assembly plants.

424 And these private sectors, essentially the private  
425 sector is responding to your actions. And it is great to see

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426 American companies leading the transition to clean energy.

427       So I just want to stress again, what you are doing is  
428 working with the private sector, using these investments at  
429 the federal level to bring back manufacturing here, looking  
430 at all of the above in terms of an energy policy that makes  
431 us more independent.

432       But at the same time, we have to be conscious of the  
433 climate and the change that is happening and the increased  
434 amount of greenhouse gases. And so we do have to prioritize  
435 clean energy and renewables, but not at the expense of the  
436 other things.

437       So thank you again, and I yield back, Mr. Chairman.

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

439

440 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

441

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442           \*Mr. Duncan. The Chairman yields back. That will now  
443 conclude with the member opening statements. The Chair would  
444 like to remind members that pursuant to the Committee rules,  
445 all members' opening statements will be made part of the  
446 record.

447           Madam Secretary, we are going to thank you for being  
448 here and taking time to testify.

449           The Secretary, will have the opportunity to give an  
450 opening statement, and we will follow that with a round of  
451 questions from members.

452           And our witness today, of course, is the Honorable  
453 Jennifer Granholm, Secretary of Energy of the United States  
454 Department of Energy.

455           And Madam Secretary, I now recognize you for five  
456 minutes for an opening statement.

457



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458 STATEMENT OF JENNIFER GRANHOLM, SECRETARY, U.S. DEPARTMENT OF  
459 ENERGY

460

461 \*Secretary Granholm. Great. Thank you so much, Chair  
462 Rodgers, Chair Duncan, Ranking Members Pallone and DeGette,  
463 thank you. Of course, members of the Committee, I am honored  
464 to be with you today to discuss President Biden's latest  
465 budget request for the Department of Energy.

466 Three years ago, I joined this administration believing  
467 that if America came together around a national energy  
468 strategy, we could restore manufacturing and create jobs and  
469 address the climate crisis and lead the world in clean  
470 energy. And today we are doing just that.

471 America is back. Thanks to Congress' efforts and the  
472 President's vision, we are executing a focused, deliberate  
473 strategy that positions us to become energy independent and  
474 secure. This strategy positions our businesses to dominate,  
475 our workers to compete, and our communities to thrive.  
476 And it is already working.

477 Since the passage of the Bipartisan Infrastructure Law,  
478 companies have announced more than 600 new or expanded clean

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479 energy manufacturing plants on American soil in many of your  
480 states. Nearly \$200 billion in planned investment for  
481 batteries, for electric vehicles, for solar, for wind, for  
482 nuclear, and more.

483 Tens of thousands of jobs being created from Colorado to  
484 California, from North Carolina to New Hampshire, Washington  
485 to West Virginia, and everywhere in between, thanks to the  
486 Bipartisan Infrastructure Law and the Inflation Reduction  
487 Act.

488 Sustaining that growth, such growth, requires us to  
489 complement that historic funding with durable, long-term  
490 investments. And the President's budget request for fiscal  
491 year 2025 will empower us to build on that progress.

492 Our commercialization tools are giving American  
493 businesses the confidence they need to capitalize on this  
494 moment while deepening our energy security.

495 But deepening our energy security is an ongoing project,  
496 and we need to fund it year over year. And that is why the  
497 budget calls for significant appropriations for our  
498 demonstration and deployment programs, including our Office  
499 of Manufacturing and Energy Supply Chains and our Grid

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500 Deployment Office.

501           And here, let me thank the Chairwoman and this Committee  
502 for its bipartisan efforts to ban the import of Russian  
503 uranium. You should feel great about that. I know that the  
504 Senate acted last night to pass your legislation, and it is  
505 moving to the President's desk as we speak.

506           And that ban will allow DOE to build a more robust  
507 domestic uranium industry through funds provided in the 2024  
508 spending agreement.

509           Meanwhile, the Department is making sure every community  
510 can benefit from reliable, affordable, clean energy and  
511 efficiency technologies, and we are leveraging dedicated  
512 funding from the infrastructure law for our interagency  
513 working group on coal and power plant communities.

514           I have seen firsthand how this program gives communities  
515 the gift of rebirth. It instills pride for the workers who  
516 defined America's energy past and will help to power  
517 America's energy future.

518           This budget also includes an historic \$25 billion for  
519 our National Nuclear Security Administration. Russia's  
520 continued war in Ukraine makes nuclear deterrent paramount to

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521 our national defense and the security of our allies, and that  
522 is why I want to thank Congress again for passing the  
523 Supplemental Appropriations Bill last week.

524 This bill also provides \$149 million for DOE's activity,  
525 that is supplemental, to help reduce nuclear threats in  
526 Ukraine, and it also includes \$98 million to shore up supply  
527 chains of critical isotopes, too much of which are  
528 concentrated in Russia.

529 These investments will make the United States and the  
530 world safer. And further, the President has requested \$8.2  
531 billion for our Office of Environmental Management, which  
532 oversees the largest environmental cleanup program in the  
533 world.

534 The 25 requests will allow us to build on these results  
535 and deepen our engagement with local tribes and communities  
536 as they plan for the future of those sites, and it will help  
537 us recruit and train a new cohort of legacy management  
538 workers and leaders.

539 So thanks to the bipartisan assistance we have received  
540 from Congress, America is back. We are the envy of the  
541 world, but we can't afford to lose our momentum that depends

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542 on your continued support.

543           So thank you for the opportunity to address you today,  
544 and I look forward to your questions.

545           [The prepared statement of Secretary Granholm follows:]

546

547 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

548

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549           \*Mr. Duncan. Thank you, Madam Secretary, for your  
550 testimony.

551           We will now move into the question and answer portion of  
552 today's hearing, and I will begin recognizing myself for five  
553 minutes for questions.

554           There is no question the United States is staring down  
555 an electric reliability crisis. FERC commissioners, grid  
556 operators, state commissioners, and reliability experts have  
557 all testified in this Committee about the vulnerable state of  
558 our grid and the growing likelihood of blackouts.

559           One FERC commissioner went so far as to say, quote,  
560 "There will be in time a catastrophic reliability event."

561           Secretary Granholm, as Secretary of Energy, do you share  
562 these authorities' concerns about the state of our grid  
563 reliability?

564           \*Secretary Granholm. I definitely share the concern  
565 that the grid is not up to what it needs to be in order to  
566 allow us to continue to grow. We know that demand for energy  
567 is increasing. We know that the grid is old, old, old, and  
568 the poles and the wires and the transformers, they need to be  
569 replaced.

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570           It was built in the 50s and 60s in many places, and so  
571 we need to continue to invest in upgrading the grid,  
572 hardening the grid, and expanding the grid.

573           \*Mr. Duncan. Thank you. And to do that, we are going  
574 to need to mine more in this country. It is another agency,  
575 but critical mining for copper and other components is  
576 necessary.

577           The North American Electric Reliability Corporation, or  
578 NERC, and the grid operators have warned about policies to  
579 transition Americans away from fossil fuels, prematurely  
580 retiring coal and natural gas power plants, and canceling  
581 pipelines.

582           You are responsible for coordinating national energy  
583 policy. Does the administration recognize that premature  
584 retirement of electric generation threatens this reliability  
585 of our grid?

586           \*Secretary Granholm. We want to make sure that we  
587 manage this transition in a way that ensures the power is on,  
588 and we continue to move to clean energy. So it is critical  
589 that we continue to use the tools at our disposal.

590           We just issued a Grid Liftoff Report which describes

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591 some of the tools that we have not had in the past to be able  
592 to ensure we can add capacity to our grid and harden it.

593 For example, making sure that we can reconductor to put  
594 twice the power on existing power lines, or that we use more  
595 grid-enhancing technologies to smartly move power on the  
596 grid, or to use new opportunities, tools like virtual power  
597 plants, to be able to access additional power.

598 In addition to the great opportunity that Congress gave  
599 us in the Inflation Reduction Act to incentivize additional  
600 generation of electricity.

601 All of that is happening. We have managed increases in  
602 demand in the past, and we can manage them going forward.

603 \*Mr. Duncan. Reliability means 24-7 baseload power  
604 generation that you don't get from a lot of renewables.

605 Let me shift gears. The lack of pipeline capacity to  
606 energy-constrained regions is also a grid reliability  
607 concern. The CEO of ISO in New England testified to this  
608 very Committee that New England is in desperate need of more  
609 pipeline capacity, even with growth in renewables.

610 My home state of South Carolina is facing these same  
611 issues. We had the ACP get canceled. MVP had tremendous



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612 delays. We finally were able to get that done.

613 Secretary Granholm, you yourself have stated that  
614 pipelines are the safest way to transport fuels, whether it  
615 is gas or liquids. I agree with you. Pipelines are critical  
616 for maintaining energy reliability, especially to balance the  
617 intermittency of renewables.

618 Do you agree that we need to build more pipelines in  
619 this country?

620 \*Secretary Granholm. I think in some places we will  
621 need to build new pipelines, and I think we definitely need  
622 to build new pipelines for hydrogen, for the movement of CO2,  
623 as well as traditional energy.

624 \*Mr. Duncan. Thank you. Would you rather utilize  
625 natural gas from the Marcellus or the Permian Basin or import  
626 LNG from a foreign country?

627 \*Secretary Granholm. I don't think we need to import  
628 any natural gas. We have enough supply here.

629 \*Mr. Duncan. Amen to that. That is why we need  
630 pipelines in New England, because they are important to LNG.

631 I want to thank you for your efforts on nuclear energy.  
632 Nuclear energy is a critical source of a reliable generation,

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633 and I am so happy that the Chairwoman's bill got passed by  
634 the Senate yesterday. I look forward to the President  
635 signing that.

636 Last month this Committee held a hearing on spent  
637 nuclear fuel policy. One issue that came out of this hearing  
638 was the loss of capacity and credibility of DOE's spent fuel  
639 program after it dismantled its office dedicated spent fuel  
640 management about 14 years ago.

641 The law requires DOE to have a dedicated office to  
642 manage spent fuel and nuclear waste, which will help credibly  
643 address the federal government's obligations and strengthen  
644 the public's confidence.

645 Will you look into resurrecting the Office of Civilian  
646 Radioactive Waste Management and to fulfill DOE's statutory  
647 duty under the Nuclear Waste Policy Act?

648 \*Secretary Granholm. Well, I do think that our Office  
649 of Nuclear Energy and our Office of Environmental Management  
650 both do aspects of that. We are interested in spent fuel use  
651 and why storage of spent fuel as well, and both of those are  
652 being addressed in those offices.

653 \*Mr. Duncan. Thank you. I take it as a no on the

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654 resurrection but allowing agency to continue its path. I  
655 believe it is important to establish a comprehensive fuel  
656 management plan, and that would be a good first step.

657 I am finished with my questions, so I will now recognize  
658 the Ranking Member DeGette for her five minutes.

659 \*Ms. DeGette. Thank you so much, Mr. Chairman. I want  
660 to talk about methane this morning. And as you know, Madam  
661 Secretary, reducing methane is probably the easiest and  
662 quickest opportunity our nation and world has to address the  
663 rate of warming that our planet is experiencing. So I just  
664 want to set the stage a little bit.

665 Is it true that methane is responsible for about one-  
666 third of the current warming our planet is experiencing?

667 \*Secretary Granholm. Yes.

668 \*Ms. DeGette. And also, is it true that oil and natural  
669 gas operations are our nation's largest industrial source of  
670 methane?

671 \*Secretary Granholm. Yes.

672 \*Ms. DeGette. So in June of 2021, President Biden  
673 signed into law a Congressional Review Act invalidating the  
674 Trump Administration's 2020 methane rescission rule, which

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675 tried to block EPA's authority to regulate methane from  
676 existing sources. I was really proud to lead this effort on  
677 the House side, which reinstated two Obama-era methane  
678 emissions rules that set stricter limits on the amount of  
679 methane that the oil and gas industry can release from  
680 drilling sites.

681 So, Secretary, I would like to ask, the Administration's  
682 final methane rule addresses emissions from both new and  
683 existing oil and gas operations. Is that right?

684 \*Secretary Granholm. Yes.

685 \*Ms. DeGette. Now, why is it important to address  
686 existing sources of methane in the oil and gas industry?

687 \*Secretary Granholm. Well, clearly, it is such a  
688 powerful greenhouse gas, and we want to make sure that we --  
689 and in addition, it is waste. I mean, it should be captured  
690 and used as natural gas. And so it is wasteful, and it  
691 contributes to greenhouse gases.

692 And frankly, it is the lowest-hanging fruit for how we  
693 can address climate change.

694 \*Ms. DeGette. Right. And, I mean, I talk to some of  
695 the oil and gas companies, the responsible ones, and they

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696 say, if we can capture this methane, we can actually make a  
697 profit. So why would we just let it go into the air? Isn't  
698 that accurate?

699 \*Secretary Granholm. That is exactly right. And they  
700 see it. I mean, the oil and gas industry, the majors  
701 particularly, see it as an opportunity for them, and many of  
702 them have taken steps to do that.

703 \*Ms. DeGette. That is right. Last December, the  
704 Department of Energy announced conditional approval of \$12.6  
705 million from the Inflation Reduction Act to Colorado, to the  
706 Department of Natural Resources, to help measure and reduce  
707 methane emissions.

708 And in January, the Department of Energy's Loan Programs  
709 Office announced a conditional commitment of funding to Long  
710 Path Technologies, which are in Boulder, Colorado, just north  
711 of my district, to support the creation and installation of  
712 real-time methane emissions monitoring networks across  
713 multiple states. So I am interested in how this works.

714 How would the real-time monitoring of methane support  
715 the administration's methane reduction goals?

716 \*Secretary Granholm. Well, first of all, I want to say,

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717 your Methane Emissions Technology Evaluation Center, METEC  
718 also, in Colorado, at Colorado State, got a \$25 million award  
719 to be able to help us do just that. There are a number of  
720 entities right now that are trying to identify the best ways,  
721 using the best next-generation technology to identify.

722 ARPA-E has got a number of companies that they have  
723 invested in to do that. I know that EDF has just put a  
724 satellite into the air, a meth satellite, methane sat, to be  
725 able to do that real-time detection and reporting, because  
726 reporting is an important part of that so that we know where  
727 the leaks are, and if the entity responsible for that pipe or  
728 that flaring is not taking advantage of it, the public  
729 entities should be able to go and say, you need to button  
730 this down. So super important.

731 Methane leak detection, mitigation, reporting, and  
732 validation are all an important strategy, and Colorado is  
733 right at the center of it.

734 \*Ms. DeGette. As per usual. Switching gears, we heard  
735 a lot last year about worst-case scenarios, if DOE finalized  
736 any efficiency standard for distribution transformers, but  
737 DOE has finalized the distribution transformer efficiency

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738 standard, and from my perspective, the reaction from industry  
739 seemed to indicate that they are okay with this.

740 Can you elaborate how the final rule shows the process  
741 and guardrails established for efficiency standards under the  
742 Energy Policy and Conservation Act?

743 \*Secretary Granholm. Yeah, I so appreciate this  
744 question because this is the great thing about our government  
745 is that it allows for us to propose a potential rule to get  
746 stakeholder feedback and to modify the rule based upon that  
747 feedback for a final rule, and that is exactly what happened  
748 in the distribution transformer case.

749 We wanted to make sure that there was enough of the  
750 grain-oriented electric steel for distribution transformers  
751 in the United States. That was how the final rule came out,  
752 and yes, industry was happy, and we have got a good balance  
753 to be able to achieve efficiency, but also ensure that we are  
754 manufacturing the distribution transformers in the United  
755 States.

756 \*Ms. DeGette. Great, thank you. I yield back.

757 \*Mr. Duncan. Gentlelady's time has expired, and I will  
758 now recognize Mrs. Rodgers for five minutes.

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759           \*The Chair. Thank you.

760           Thank you again for being here, Secretary Granholm. I  
761 wanted to start with nuclear policy and appreciate you  
762 joining in recognizing and celebrating the bill heading to  
763 the President's desk to ban the import of uranium from  
764 Russia.

765           I believe this is very important in sending the signal  
766 to the markets that America is committed to restoring our  
767 nuclear leadership and having strong and secure supply chains  
768 in the United States. And look forward to working with you  
769 to make sure that we implement that ban in a way that is  
770 going to strengthen our industry.

771           Also wanted to shift then to reliability, electric  
772 reliability. Certainly with this just forced transition  
773 going in place across the board, electric reliability is a  
774 challenge that is facing many people, many states, many  
775 regions of the country.

776           NERC continues to issue these warnings to much of the  
777 country to anticipate brownouts, blackouts. And  
778 unfortunately, we see this forced retirement of baseload  
779 generation that is impacting reliability.



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780 I wanted to ask, because this is getting worse. Alarms  
781 bells were ringing in 2021 and it is gotten worse. The law  
782 requires you as Secretary of Energy to coordinate national  
783 energy policy. Would you agree that this involves federal  
784 actions that affect electricity supply and delivery?

785 \*Secretary Granholm. Yes.

786 \*The Chair. Are you comfortable allowing EPA to take  
787 actions that effectively dictate the electricity generation  
788 mix and in effect the energy policy of nations, our nation  
789 and many states?

790 \*Secretary Granholm. We have signed a memorandum of  
791 understanding with EPA and have worked with them on their  
792 standards. I am very comfortable that what they have  
793 proposed is doable and that it will, in fact, increase our  
794 energy security.

795 \*The Chair. EPA just issued new standards for power  
796 generators that rely upon the deployment of carbon capture  
797 technology, claiming that these technologies have been  
798 adequately demonstrated.

799 And this is in direct conflict with the Department of  
800 Energy's own programs required by Congress to prove that

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801 carbon capture technology can work at scale in the power  
802 sector, which has not happened.

803           Should EPA be proposing standards based upon technology  
804 that DOE has not yet shown to be adequately demonstrated in  
805 the power sector?

806           \*Secretary Granholm. We believe that carbon capture  
807 technology is proven technology and is being demonstrated.  
808 For example, at the Petro Nova facility in Texas, that has  
809 been up for a long period of time.

810           What hasn't been demonstrated is that there hasn't been  
811 a price on carbon that made it worthwhile for the private  
812 sector to step into this until now. With the Bipartisan  
813 Infrastructure Law and the Inflation Reduction Act, now there  
814 is a price on carbon that makes that industry worthwhile  
815 looking into.

816           And so we are excited about that and we are excited  
817 about the demonstration projects in this new environment that  
818 our Manufacturing and Energy Supply Chain's office is setting  
819 up.

820           \*The Chair. Well, I know there is many anxious to get  
821 going.

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822 I wanted to shift gears a bit here. There is growing  
823 concerns about what is going on our college and university  
824 campuses around anti-Semitism and the protests.

825 And what we are finding is that these same colleges and  
826 universities benefit from millions and millions of dollars,  
827 federal taxpayer dollars, including Department of Energy that  
828 has issued hundreds of millions of dollars in grants and  
829 assistance to American universities. For fiscal year 2022,  
830 we saw that over 900 million went to colleges and  
831 universities.

832 I just wanted to ask, is there a central database? Can  
833 you tell me how much money Columbia University has gotten  
834 from the Department of Energy?

835 \*Secretary Granholm. I don't have that figure in front  
836 of me, but I am happy to get that back to you.

837 \*The Chair. That would be helpful because I believe it  
838 is important. This Committee is going to be taking action to  
839 ensure that these funds are complying with all applicable  
840 laws, including our Civil Rights Act.

841 Another challenge is we seem to be continuing to lose  
842 our competitive edge to China, and when it comes to some of

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843 the supply chain issues on green and energy.

844 Last year, DOE found a lack of sufficient safeguards for  
845 intellectual property at its national labs, specifically the  
846 area of licensing technology to companies with foreign  
847 owners.

848 In light of the issues raised in that report, I wanted  
849 to ask why DOE hasn't conducted a similar review of licensing  
850 practices at universities and other research entities.

851 \*Secretary Granholm. Any entity that gets funding or  
852 partners with us on research, we have a very robust  
853 engagement with about what is a threat to us as taxpayers  
854 about protecting our intellectual property, and we have set  
855 up an entire ecosystem inside DOE to ensure that our  
856 intellectual property and our taxpayer dollars are protected.

857 \*The Chair. Okay. Well there is -- we are deeply  
858 troubled, and any information -- we are deeply troubled with  
859 what is going on on the college and university campuses, and  
860 any detailed information that you can give the Committee  
861 would be appreciated. I am sure we will be following up.  
862 Thank you.

863 \*Mr. Duncan. The gentlelady yields back. I will now go

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864 to the Ranking Member Mr. Pallone for five minutes.

865 \*Mr. Pallone. Thank you, Mr. Chairman.

866 Madam Secretary, I wanted to go back to this LNG issue.  
867 DOE's temporary pause of approval for new export applications  
868 for LNG. There is been a lot of Republican misinformation  
869 about this pause. You know, they call it a ban. They have  
870 mentioned it as a ban in two separate hearings. So just yes  
871 or no, if you will, on this, on each of these four questions,  
872 Secretary.

873 For the record, first, is DOE's update to the Public  
874 Interest Review a ban on LNG exports?

875 \*Secretary Granholm. No.

876 \*Mr. Pallone. Are current LNG exports impacted at all  
877 by the pause?

878 \*Secretary Granholm. No.

879 \*Mr. Pallone. Are future LNG exports that were already  
880 permitted impacted at all by the pause?

881 \*Secretary Granholm. No.

882 \*Mr. Pallone. Do you expect -- that is the end of my  
883 yes or no. Well, I guess that is not true. I got one more  
884 yes or no.

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885 Do you expect the pause and the subsequent update of the  
886 Public Interest Standard to impact the amount of natural gas  
887 available to our European allies in the near or medium term?

888 \*Secretary Granholm. No.

889 \*Mr. Pallone. Okay. And then I will ask you more  
890 broadly, can you briefly discuss whether or not LNG exports  
891 raise natural gas prices for American consumers?

892 \*Secretary Granholm. Thanks for the question because  
893 that is one of the issues that the update will examine.

894 We currently produce just over 100 BCF, 105 BCF of  
895 natural gas in the United States. We have authorized for  
896 export 48 billion cubic feet of natural gas.

897 And so the question is, if all of that has been  
898 authorized was built out and was exported, what would that do  
899 to prices at home for our consumers, our manufacturers, et  
900 cetera? That is one of the issues that is under review.

901 \*Mr. Pallone. And I appreciate that because I know you  
902 stressed affordability in your opening statement, and I think  
903 that is really the key issue of this Committee across the  
904 board, whether it is healthcare, energy, use of whole issue  
905 of affordable connectivity for the internet.

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906           So I just think it is clear from your answers that  
907   Republicans are misleading the public about the  
908   administration's LNG policy and effects.

909           But these Republican tactics are nothing new. We are  
910   seeing the same thing when it comes to energy efficiency  
911   standards. As you know, Republicans continue to push bills  
912   we understand they are starting to come up next week that  
913   target DOE's ability to set energy conservation standards for  
914   appliances to again lower energy costs for American families.  
915   You are trying to lower the cost.

916           So Secretary, can DOE promulgate energy conservation  
917   standards that are not technically feasible or economically  
918   justified? Yes or no?

919           \*Secretary Granholm. No.

920           \*Mr. Pallone. Okay. And that is what I thought, of  
921   course.

922           And can you now elaborate on DOE's process for setting  
923   these efficiency standards, if you would?

924           \*Secretary Granholm. Yeah, we have, under the ECPA, we  
925   have been doing this since 1975. We produce efficiency  
926   standards, make recommendations for efficiency standards on

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927 over 60 products of appliances.

928 As a result of Congress' passing of this law, the Energy  
929 Policy and Conservation Act, we have saved consumers  
930 trillions of dollars.

931 And just one example, if you buy a refrigerator today,  
932 it is half of the price of what it was in 1975. It has 20  
933 percent more storage capacity, and it uses one quarter the  
934 energy as a result of these standards. And we have more  
935 models than ever before.

936 So don't underestimate, I would say, to those who  
937 criticize the incredible ingenuity of the private sector to  
938 reach these standards and to provide consumers with lower-  
939 cost appliances and more efficient appliances.

940 \*Mr. Pallone. And then my last question, what are the  
941 benefits? I mean, you have talked a little bit about the  
942 benefits of appliance efficiency standards. And we know the  
943 Republicans are trying to upend this successful program.

944 But what is at risk if Republicans succeed in upending  
945 your appliance efficiency program? What is the consequence?

946 \*Secretary Granholm. Well, again, our whole effort here  
947 is to save energy and to save money on behalf of consumers.



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948 We are obsessed with reducing energy use and prices for  
949 people. And if consumers can save, on average, \$500 a year  
950 by upgrading their appliances to more energy-efficient  
951 appliances, that helps save a lot of people a lot of money.

952 And so I would worry about eliminating any of this  
953 effort. We don't want to increase prices. We want to lower  
954 them.

955 \*Mr. Pallone. And I appreciate that. And my  
956 understanding is that industry supports these efforts at more  
957 efficiency. The only people that oppose it are the  
958 Republicans in Congress, from what I can see.

959 But thank you very much. I yield back, Mr. Chairman.

960 \*Mr. Bucshon. The gentleman yields back. I now  
961 recognize Dr. Burgess for five minutes.

962 \*Dr. Burgess. Thank you, Mr. Chairman.

963 A number of questions on the LNG pause. But I am going  
964 to submit those for writing because I want clarity in the  
965 answers.

966 I do want to point out that four years ago, literally  
967 four years ago right now, the cost or the price of crude oil  
968 was pretty low. And there was an effort, a bipartisan effort

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969 in this Committee, myself, Representative Fletcher from  
970 Houston, Senator Cornyn, Senator Hoeven from North Dakota, to  
971 suggest that the Strategic Petroleum Reserve could be topped  
972 off while the cost of crude oil was at historic lows.

973 This was declined by the Speaker of the House, Nancy  
974 Pelosi, Majority Leader Chuck Schumer in the Senate, and was  
975 not accomplished.

976 However, then two years later, we saw a massive sell-off  
977 in the Strategic Petroleum Reserve, not because of a national  
978 emergency, but because of a perceived political emergency by  
979 the administration. They were worried about their  
980 performance in the midterm elections.

981 So they brought down the price at the pump for consumers  
982 after they had driven it up with energy policies instituted  
983 by this administration.

984 And to my observation now, there really isn't an attempt  
985 to put those barrels back in the Strategic Petroleum Reserve.  
986 Is that correct?

987 \*Secretary Granholm. No. Let me clarify for you. I  
988 think there is a couple of things that you said that are  
989 inaccurate. Number one, the reason why the President ordered

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990 the sale of '180 million barrels from the Strategic Petroleum  
991 Reserve was because Russia invaded Ukraine. And there was a  
992 crunch, a complete collapse of the ability to access --

993 \*Dr. Burgess. Yeah. Let me stop you there.

994 \*Secretary Granholm. -- oil on a global market.

995 \*Dr. Burgess. Because we are going to differ on  
996 geopolitical events. Russia invaded Ukraine --

997 \*Secretary Granholm. Well, that was why.

998 \*Dr. Burgess. -- because of the collapse of the  
999 administration's policy in Afghanistan and made Ukraine an  
1000 attractive target.

1001 But nevertheless, there was an effort by the  
1002 administration to reduce the price of the pump. And again,  
1003 the emergency really didn't exist then. The emergency,  
1004 though, may be right on our doorstep with how dangerous the  
1005 world has become.

1006 And we are less in a position to respond to now a real  
1007 and acute emergency because of the fact you drew it down in  
1008 2022.

1009 \*Secretary Granholm. First, we have the largest  
1010 Strategic Petroleum Reserve still in the world. The

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1011 President ordered the 180 million barrels sold because of a  
1012 global emergency. There was a global effort to put more  
1013 supply on the market in addition to what the United States  
1014 did.

1015 We have, in fact, begun a strategy of refilling, and I  
1016 will say that Congress has ordered more barrels to be  
1017 released from the Strategic Petroleum Reserve through  
1018 congressional mandatory sales for budget purposes than the  
1019 President did.

1020 Thank you to Congress for canceling 140 million of those  
1021 ordered mandatory sales. But there is another 100 million  
1022 that we are going to have to sell because of congressional  
1023 action as well.

1024 \*Dr. Burgess. Do you agree or disagree that the world  
1025 is a dangerous place today?

1026 \*Secretary Granholm. Absolutely.

1027 \*Dr. Burgess. More so, perhaps, at any time in my  
1028 lifetime than -- I lived through the Cold War. I cannot  
1029 remember a time where world events may be as tenuous as they  
1030 are today. A simple miscalculation on someone's part could  
1031 really put us in a position where the United States is in

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1032 grave danger.

1033           So I want us to continue to focus on filling that  
1034 Strategic Petroleum Reserve. To that, the state of Texas is  
1035 willing to contribute, and we are always willing to step up.

1036           Let me ask you one other question before I run out of  
1037 time. The all-in part of the President's budget for the  
1038 Department of Energy is roughly what? What is the dollar  
1039 figure?

1040           \*Secretary Granholm. The all-in?

1041           \*Dr. Burgess. Yeah, how much money does the President  
1042 want?

1043           \*Secretary Granholm. \$51.4 billion.

1044           \*Dr. Burgess. Okay. I am also on the Budget Committee  
1045 and am acutely aware of the fact that we are in a budget  
1046 crisis in this country. Our deficits are at levels that are  
1047 unsustainable.

1048           The \$51 billion requested in the budget, does that take  
1049 into account the cost of borrowing that money and the debt  
1050 service on that money? Are there constant value dollars that  
1051 are put into this calculation?

1052           \*Secretary Granholm. I am certain that it does because

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1053 it is part of the President's overall budget.

1054 \*Dr. Burgess. I don't think that it does. I think we  
1055 are being asked to spend \$51 billion that is going to have to  
1056 come from somewhere else. It is not being offset.

1057 Like for example, why not take it from some of the Green  
1058 New Deal provisions that were included in the Inflation  
1059 Reduction Act so that we don't have to borrow this money from  
1060 China and then our children and grandchildren pay it back?

1061 \*Secretary Granholm. Well, Congress has directed us to  
1062 be able to spend the funding to be able to address climate  
1063 change so that we can be more energy secure as a nation, and  
1064 that is what we are doing. We are fulfilling Congress'  
1065 obligations.

1066 \*Dr. Burgess. Thank you for elucidating that a  
1067 strategic change in policy is going to be necessary. I hope  
1068 the country delivers in November. I will yield back.

1069 \*Mr. Bucshon. The gentleman yields back. Now I  
1070 recognize Mr. Peters, five minutes.

1071 \*Mr. Peters. Thank you, Mr. Chairman.

1072 Madam Secretary, I want to start by applauding you and  
1073 President Biden through your implementation of the IRA and

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1074 the IIJA. The administration has leveraged \$649 billion in  
1075 private investments in American energy and manufacturing.  
1076 I think we can all agree that that is fantastic, but I also  
1077 think we could do more.

1078 While 2023 was the strongest year on record, the  
1079 strongest year on record for combined U.S. solar, wind, and  
1080 energy storage installations, we still lag far behind China,  
1081 who is dwarfing us in all those categories, as well as  
1082 building out the grid.

1083 We are facing extraordinary growth in energy demand from  
1084 electric vehicles, also from AI, from data centers, and the  
1085 reshoring of domestic manufacturing, also thanks to the  
1086 effort of President Biden and his administration.

1087 But we will not be able to meet this energy demand, nor  
1088 our climate goals, under the current permitting regime we  
1089 have in this country.

1090 That is why I was happy to see the Department's recent  
1091 actions on permitting over the last few weeks, particularly  
1092 through the Coordinated Interagency Transmission  
1093 Authorizations and Permits Program, otherwise known as CITAP.

1094 These strong steps should meaningfully move the needle

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1095 on citing and permitting for critically needed energy  
1096 infrastructure. And I think we should be celebrating those  
1097 steps on both sides of the aisle.

1098 I want to specifically focus on the Department's efforts  
1099 to energize permitting -- or to expedite permitting for solar  
1100 and storage technologies on disturbed, developed, and other  
1101 lower-conflict areas.

1102 Can you talk about what you have done so far and what  
1103 Congress can do to give you additional authority to do more  
1104 of this?

1105 \*Secretary Granholm. First of all, thank you so much  
1106 for your leadership on this. And while we can do what we can  
1107 with the administrative powers, we are grateful for the  
1108 effort to try to seek a bipartisan solution on permitting  
1109 reform.

1110 We have been doing a number of things. As you say, the  
1111 CITAP program cuts in more than half to two-year shot clock  
1112 for permitting on public lands for transmission. Very  
1113 important.

1114 And that corresponds with Congress' direction under the  
1115 Fiscal Responsibility Act to cut permitting times while still



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1116 preserving the ability and the intent under NEPA to ensure  
1117 that our environment is protected.

1118         So we are also looking at ways to use categorical  
1119 exemptions and making sure that we are not requiring doubling  
1120 the effort at permitting and NEPA reviews when it is not  
1121 necessary, when you are not expanding a footprint or you are  
1122 only expanding it minimally.

1123         We also think it is important to be able to use CATEXs  
1124 on the tools that allow us to reconductor, the tools that  
1125 allow us to attach grid-enhancing technologies to  
1126 transmission so that we can get more power more smartly  
1127 across the transmission lines.

1128         So we are looking at all of those ways to be able to do  
1129 what we can to move power more efficiently and to cut down on  
1130 permitting times.

1131         But I know that there are other ideas that Congress has  
1132 been working with and we are very supportive of whatever can  
1133 happen that does it.

1134         And one other thing I would just add is that we have  
1135 just been given funding through the permitting counsel the  
1136 Department of Energy has to use AI to be able to do

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1137 permitting for NEPA.

1138           So if we are able to use artificial intelligence to  
1139 create a very efficient permitting regime, that is another  
1140 step that we can take so that we don't wait 10 years for a  
1141 transmission line to be permitted.

1142           \*Mr. Peters. That is very helpful. I have often  
1143 observed that the laws of the 1970s were built for defense  
1144 keeping us from doing stupid things which we were doing.

1145           And today as climate action advocates we are tasked with  
1146 building a lot of stuff including transmission, offshore  
1147 wind, utility scale solar, hydrogen pipelines, direct air  
1148 capture, everything else. We have got to figure out ways to  
1149 make it go faster.

1150           And I also would encourage you to think about pre-  
1151 approvals for particular technologies that we understand well  
1152 and particularly for disturbed areas where it is not a  
1153 concern that we are disturbing an environmental resource.

1154           Do you have any thought on that?

1155           \*Secretary Granholm. Yeah, no I think that is exactly  
1156 right. Those are ideas, the exact kind of ideas that we  
1157 should be pursuing.

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1158           \*Mr. Peters. You have been asked about college campuses  
1159 and everything else. This is supposed to be a hearing about  
1160 the budget. And I do have a budget question, but I am going  
1161 to run out of time so I am going to ask you it and then we  
1162 will submit questions for the record so you can respond more  
1163 fully.

1164           But it is about with the quantity of personnel and maybe  
1165 this is partly AI, we are going to need to hire up to do all  
1166 the analysis under the existing permit regime on all these  
1167 projects.

1168           I have heard estimates of 30- to 60,000 new projects  
1169 because of what Congress and the President have done through  
1170 these laws.

1171           How are we going to pay for that? What is that going to  
1172 cost? And --

1173           \*Secretary Granholm. Are you talking about AI, on the  
1174 AIs?

1175           \*Mr. Peters. I am not talking about AI. I am talking  
1176 about the personnel. Beyond just creating positions and  
1177 funding positions, will we actually be able to hire folks in  
1178 a challenged labor market? I am running out -- I am out of

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1179 time so I am going to put those questions in writing. But  
1180 again, thank you for your help and thanks so much for being  
1181 here today. I yield back.

1182 \*Secretary Granholm. Thank you.

1183 \*Mr. Duncan. The gentleman yields back, and I will go  
1184 to Mr. Latta for five minutes.

1185 \*Mr. Latta. Well, thank you, Mr. Chairman and Madam  
1186 Secretary, thanks again for being with us today.

1187 I want to focus first on nuclear as a source of  
1188 generation and nuclear energy is widely supported in this  
1189 Committee and in Congress.

1190 As stated, our Chair's Prohibiting Russian Uranium  
1191 Imports Act passed on unanimous consent last night in the  
1192 Senate, which is good news.

1193 Not only does this legislation put an end to Russian  
1194 uranium imports, but it also unlocks \$2.72 billion to ramp up  
1195 domestic uranium fuel production that through my bill, the  
1196 Nuclear Fuel Security Act, gives DOE the ability to  
1197 incentivize a market for advanced fuels. DOE will also have  
1198 the ability to strengthen the fuel infrastructure of the  
1199 existing fleet.

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1200           Madam Secretary, do you believe that DOE understands how  
1201 the buying and selling of fuels and fuel services in the  
1202 private market can distort that market when it starts  
1203 implementing the program?

1204           \*Secretary Granholm. I think we are aware of market  
1205 dynamics, and we have a team that is focused on doing this  
1206 well. Happy to work with you on whatever Congress needs to  
1207 do, but I think we have got the tools necessary to make sure  
1208 that we build up this uranium strategy in this country so  
1209 that we are secure.

1210           \*Mr. Latta. Well, that is going to be my follow-up.  
1211 Because it would be very harmful if DOE takes actions that  
1212 could make matters worse. So you know will you report to  
1213 this Committee about your plans for implementing the --

1214           \*Secretary Granholm. Yes.

1215           \*Mr. Latta. -- Nuclear Fuel Security Act?

1216           \*Secretary Granholm. Absolutely.

1217           \*Mr. Latta. Thank you. Just some headlines have been  
1218 in the paper recently in the last couple of days that the  
1219 Dominion chief executive expects its peak load to increase at  
1220 least 5 percent each year for the next 15 years, and they

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1221 recognize they are going to need more natural gas in order to  
1222 keep the lights on.

1223 Another article in the Wall Street Journal on April the  
1224 30th, Duke Energy reported to regulators that they will need  
1225 three new gas-fired power plants in the Carolinas.  
1226 Otherwise, they will need to keep the coal plants open. Wall  
1227 Street Journal article and other papers have been reporting  
1228 this.

1229 Just this week, the International Energy Agency that  
1230 U.S. data centers electricity consumption could rise from 4  
1231 percent in 2022 to 6 percent in 2026. AI could add 8  
1232 percent. Last December, someone from EPA, when I asked a  
1233 question as to how much more energy they thought they would  
1234 have to have if the President's idea of going all electric by  
1235 2035, thought it would be another 4.5 percent. I think they  
1236 were too low.

1237 But the question really is, do you believe that this  
1238 country needs to have more energy or less energy in  
1239 production?

1240 \*Secretary Granholm. More energy.

1241 \*Mr. Latta. Thank you. Another question that had come

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1242 up, especially when we were talking with PJM, in 2014, as you  
1243 might remember, we had a huge polar vortex going across the  
1244 Midwest. My district with a massive amount of manufacturing  
1245 jobs, we had a situation where the question was we were going  
1246 to go into blackouts or brownouts in the state of Ohio.

1247 Fortunately, we are in a situation that all power  
1248 stations across in our two nuclear power stations in Ohio,  
1249 everyone was at maximum production. We did not have a  
1250 brownout or a blackout.

1251 Not long after that situation occurred, I had asked PJM,  
1252 I said, if we had the same situation today, could we sustain  
1253 what we did at that point? Because again, with the steel  
1254 production, float glass, everything that you can't shut down,  
1255 and they said it wouldn't be a problem.

1256 But as the years progressed, we started seeing a little  
1257 bit change in opinion. Because the PJM, on their website,  
1258 talks about that there is a need for more power production.

1259 When I asked them the same question recently, what would  
1260 happen if we had the same situation at that polar vortex in  
1261 2014, they said, well, we probably could sustain what we  
1262 have, but when we go into the future, the likelihood we would

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1263 not be able to do it.

1264           So I guess the question really comes down to are you  
1265 concerned about all the retiring generation stations we have  
1266 in the United States today? Because knowing how long it  
1267 takes to get generation up, especially that base load  
1268 capacity that we have to have is so important.

1269           But are you concerned about those generation plants --

1270           \*Secretary Granholm. Yeah. Thanks for --

1271           \*Mr. Latta. -- closing?

1272           \*Secretary Granholm. Yeah, thanks for the question. It  
1273 is a really important question.

1274           I am -- I know that we can get 20 to 100 gigawatts on  
1275 the existing system just by deploying some of these  
1276 technologies that we have not availed ourselves of at this  
1277 moment that are much faster than having to wait for the  
1278 building of a new power plant, like reconductoring wires,  
1279 like virtual power plants, like making sure that we have grid  
1280 enhancing technologies. So that is number one.

1281           Number two, because of the great work of Congress, of  
1282 some, that we have now the incentives to put clean power onto  
1283 the grid, we saw last year 40 gigawatts of additional power



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1284 added to the nation's electric grid.

1285 Another 65 gigawatts are planned to be added this year.  
1286 So we need to do both. We need to add new power, and base  
1287 load power is important, which is why energy storage, again,  
1288 which was something that didn't exist back during the polar  
1289 vortex days, is available now through utility scale grid  
1290 storage.

1291 All of those tools will help to make sure the lights  
1292 stay on. I will say, though, that the polar vortex is an  
1293 example of what we are going to continue to get hit with  
1294 because of climate change, honestly. The number of extreme  
1295 weather events across the country.

1296 Last year, over a billion-dollar events were 28. It  
1297 has, every single year, continued to climb, as we have seen.  
1298 The events are becoming more frequent and more extreme, and  
1299 we have an old grid.

1300 So there is no doubt that we need to continue to invest  
1301 in the grid itself, in addition to making sure that  
1302 generation is there.

1303 \*Mr. Latta. Mr. Chairman, my time has expired, and I  
1304 yield back.

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1305           \*Mr. Duncan. The gentleman yields back, and I will now  
1306 go to my friend from Texas, Ms. Fletcher, for five minutes.

1307           \*Mrs. Fletcher. Thank you so much, Mr. Chairman.

1308           And thank you, Madam Secretary, for your helpful  
1309 testimony today, really focused on bipartisan accomplishments  
1310 and shared goals, as well as just more broadly your  
1311 leadership in looking to the future and developing policies  
1312 and programs to ensure that the United States remains the  
1313 world leader in energy production, in innovation and  
1314 technology, in emissions reduction, and in exports.

1315           This is particularly important to me and the people that  
1316 I represent in Houston, who have been so glad to welcome you  
1317 multiple times to our city. It is the energy capital of the  
1318 world, and we intend to keep it that way.

1319           And so before I get to my questions for you, I do want  
1320 to note that we are seeing in Houston some of the investments  
1321 and programs that you have been talking about today, from the  
1322 Infrastructure Investment and Jobs Act, from the Inflation  
1323 Reduction Act, and we are thrilled that the High Velocity Hub  
1324 in Houston will receive \$1.2 billion to expand our hydrogen  
1325 industry, which, as you know, is really centered in Houston,

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1326 has the majority or the largest share of hydrogen existing  
1327 today, and that is growing.

1328 I want to circle back to that with my questions, but  
1329 also just want to note that the DOE Loan Program, with the  
1330 loan guarantee for Sunnova, absolutely transformative.

1331 That is headquartered in my district, as well as the  
1332 T.EN Stone & Webster Process Technology. They got \$200  
1333 million for decarbonization in the chemical sector. These  
1334 are really important innovations, and I just really want to  
1335 thank you for your leadership in rolling out these programs  
1336 so quickly and consistent with the vision of the Congress in  
1337 making these things happen.

1338 I do want to circle back to that, but before I get to  
1339 that, I do want to address some of the comments that we have  
1340 heard this morning about what my friends on the other side of  
1341 the aisle keep calling an LNG ban, and I know that Mr.  
1342 Pallone touched on it briefly. Mr. Burgess asked about it.

1343 I was at the hearing with Chairman Duncan in Port  
1344 Arthur, Texas, a few weeks ago, and I am certainly hearing  
1345 concerns from the people who live and work in my district  
1346 about the prospects for LNG exports and their ability to

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1347 plan.

1348           So I think following up on some of the other questions,  
1349 I think it would just be helpful if you could take a minute  
1350 to share with us your anticipated time line for DOE's  
1351 completion of the review.

1352           \*Secretary Granholm. Yeah, the review should be  
1353 completed by the end of this year or the beginning of next  
1354 year, just around that time.

1355           \*Mrs. Fletcher. Thank you. That is helpful, I think,  
1356 for all of us. And then I want to go back to those DOE  
1357 programs because I do want to ask about the Hydrogen Hub  
1358 program as well.

1359           In February of this year, seven of the Hydrogen Hubs  
1360 wrote a letter to the Treasury Department expressing concerns  
1361 about the 45V tax credit guidance that Treasury had issued.  
1362 And in the letter, they said that the hubs are not able to  
1363 fully materialize and the hydrogen market isn't going to be  
1364 able to take off without output from existing sources  
1365 qualifying for 45V.

1366           So I recognize that Treasury is responsible for this  
1367 guidance and not the Department of Energy, but I would like

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1368 to know your thoughts on this issue and kind of this concern  
1369 and how you are working with other departments in the  
1370 administration to address this and ensure the hub's success.

1371 \*Secretary Granholm. Yeah, it is a really an important  
1372 question. There is a series of questions that have to be  
1373 answered in 45V in the guidance, and Treasury is working on  
1374 that, so I can't say much about it, but suffice it to say  
1375 that as a whole of government, we want the hubs to be  
1376 successful.

1377 \*Mrs. Fletcher. Well, thank you. I do think it is  
1378 important to get that guidance from those who are working on  
1379 it and really incorporate that real-world experience because  
1380 we also want this to be successful.

1381 In the time I have left, I want to associate myself with  
1382 the comments that Mr. Peters made about the importance of  
1383 permitting reform. I know you know and understand the  
1384 importance of that. And earlier today, you mentioned the  
1385 need to construct, in particular, new hydrogen and CO2  
1386 pipelines.

1387 When it comes to the development of those pipelines, in  
1388 particular, developers often citing to me and to us that

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1389 permitting challenges are one of the biggest impediments to  
1390 deployment.

1391           So can you talk a little bit about how DOE intends to  
1392 work proactively with the permitting agencies to address the  
1393 challenges in the permitting space when it comes to carbon  
1394 management?

1395           \*Secretary Granholm. Yeah, thanks for that. I know  
1396 some of this is outside of the purview of the Department of  
1397 Energy because Class VI wells, pipelines, et cetera, are done  
1398 by other agencies.

1399           However, we do have, again, a whole-of-government  
1400 approach to getting these projects done, and so it is  
1401 critical that we see permitting reform that gives, I think, a  
1402 shot clock is really important, personally, that causes minds  
1403 to really focus around a deadline is important.

1404           It is important as well that we have one lead agency  
1405 over these permits so that developers don't have to go to  
1406 five different agencies with five different NEPA reviews, et  
1407 cetera, that we coordinate and use one document, one agency,  
1408 driving these. And that is all what the administration is  
1409 proposing is to move it forward.

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1410           And again, as I was saying to Congressman Peters, it  
1411 would be great to have the durability of permitting reform  
1412 from Congress as well, so thank you for working on that.

1413           \*Mrs. Fletcher. Thank you so much, Madam Secretary. I  
1414 have gone over my time, so I will yield back.

1415           \*Mr. Duncan. The gentlelady yields back, and I will go  
1416 to Mr. Wahlberg for five minutes.

1417           \*Mr. Wahlberg. Thank you, Mr. Chairman. And thank you,  
1418 Secretary, for being here. I just came from questioning  
1419 Undersecretary Shyu, so I guess I am all primed for  
1420 secretaries.

1421           \*Secretary Granholm. All right.

1422           \*Mr. Wahlberg. I am hoping your answers will be fuller  
1423 and more complete than hers were, so I am not cursing the  
1424 project.

1425           Under President Biden, the Department of Energy has  
1426 completely shifted its mission regarding energy security,  
1427 reliability, and affordability. The department's spending  
1428 priorities, which sway heavily towards renewables and the  
1429 administration's overall anti-fossil policies will increase  
1430 costs for consumers and crowd out opportunities for expanding

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1431 nuclear and advanced fossil technologies necessary for  
1432 American manufacturing resurgence.

1433       President Biden says he wants everything made in  
1434 America, but his environmental and energy policies say  
1435 opposite.

1436       As the Chair noted earlier, manufacturing isn't the only  
1437 thing impacted by these policies. Retail rates for our  
1438 constituents are also going up significantly, surpassing the  
1439 rate of inflation. I just have to look at the Wall Street  
1440 Journal article that found that electricity prices here  
1441 increased by 30 percent since 2021, 50 percent higher than  
1442 the overall inflation rate that was the case.

1443       Families are paying more, and what are they getting out  
1444 of it? And so the department has set aside billions for  
1445 interstate transmission projects that serve the renewable  
1446 goals of differing states.

1447       However, those projects have faced serious delays or  
1448 have been canceled. By one developer's own admission, the  
1449 project was not viable. Transmission build-out already  
1450 necessitates increases in retail rates that everyday  
1451 Americans have to pay.



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1452           Madam Secretary, how do you justify those costs as you  
1453 push build-out based on political goals and not reliability  
1454 or economics? Beyond that, why should taxpayers pay for  
1455 these projects that are not viable on their own?

1456           \*Secretary Granholm. All right. So first, nice to see  
1457 you.

1458           We need to make sure that we have a reliable grid.

1459           \*Mr. Wahlberg. I agree.

1460           \*Secretary Granholm. Right now, the PUCs across the  
1461 country are putting onto rate payers the cost of making that  
1462 grid reliable, shoring it up. It was built in the 50s and  
1463 60s. It is old, and a lot of these utilities go to the PUCs  
1464 and rate base the upgrades to the grids.

1465           One of the things that we had suggested previously, we,  
1466 this administration, was to get -- to have that be part of an  
1467 infrastructure project, a national infrastructure project  
1468 that we take on as a nation to have a reliable grid through,  
1469 for example, you know, investment tax credits for building up  
1470 the grid. We don't have that, and so that is one of the  
1471 reasons why these prices are going up.

1472           The President, the administration, is obsessed about

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1473 lowering prices, and that is why the focus has been on what  
1474 can we do in the scheme of things --

1475 \*Mr. Wahlberg. We saw --

1476 \*Secretary Granholm. -- to lower costs?

1477 \*Mr. Wahlberg. -- lowering prices take place before  
1478 this administration took office.

1479 \*Secretary Granholm. Yes.

1480 \*Mr. Wahlberg. And they were going down significantly  
1481 with greater independence.

1482 \*Secretary Granholm. You can't compare anything that  
1483 happens today with what happened four years ago because we  
1484 were in the middle of a pandemic, and everything dropped  
1485 through the floor. The legitimate comparison is before that,  
1486 but no doubt, before that, there was still investment in  
1487 grid, but not as much as is necessary.

1488 We need a bigger investment in our national grid, and we  
1489 need to have it paid for.

1490 \*Mr. Wahlberg. Well, that is where promoting the  
1491 opportunity of the free market, of our private sectors, to do  
1492 the jobs that they are capable of doing without the excessive  
1493 regulation and, I would say respectfully, interference from

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1494 the federal government that just isn't working.

1495 \*Secretary Granholm. Well, that is why tax credits are  
1496 a great thing because they are government-enabled but private  
1497 sector-led, and we operate in partnership --

1498 \*Mr. Wahlberg. And tax-payer supported.

1499 \*Secretary Granholm. -- with the private sector. Yes,  
1500 of course.

1501 \*Mr. Wahlberg. Taxpayer-funded.

1502 \*Secretary Granholm. I mean, the infrastructure that we  
1503 need, the roads we drive on --

1504 \*Mr. Wahlberg. Let me jump in one other thing.

1505 \*Secretary Granholm. -- are paid for by the taxpayers.

1506 \*Mr. Wahlberg. The EV mandate that we have, jumping to  
1507 that area, and then the grid security, which you have  
1508 mentioned. Based on the success of the IRA and the IIJA, as  
1509 well as the dependence on consumer-restricting solutions like  
1510 managed charging, forgive me if I am skeptical of those two  
1511 entities.

1512 The White House also estimated that these laws would  
1513 help build 500,000 EV charging stations by 2030. In the last  
1514 two years, they built seven. How are we going to complete

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1515 that? And what does that mean to the citizen?

1516 \*Secretary Granholm. So number one, we are at 171,000  
1517 charging stations largely driven by the private sector at the  
1518 moment. And the goal is to get to 500,000.

1519 What the electric vehicle initiative was doing, the  
1520 National Electric, the NEVI, National Electric Vehicle, was  
1521 to give funding to the states to be able to fill in the gaps  
1522 where the private sector has not gone. And in order to do  
1523 that means that a charging station is going somewhere where  
1524 it has not been before, where there may not be electricity  
1525 because they are filling in a gap. And so --

1526 \*Mr. Wahlberg. Seven gaps.

1527 \*Secretary Granholm. Well --

1528 \*Mr. Wahlberg. -- the 500,000.

1529 \*Secretary Granholm. But here's the thing, is that it  
1530 takes 18 months on average to get the electricity, the  
1531 planning, and the permitting for one charging station.

1532 So now all of them have gotten their money. I have got  
1533 35 states that have released solicitations for the  
1534 installation of the --

1535 \*Mr. Wahlberg. Let's reduce all that time.

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1536           \*Secretary Granholm. Twenty-one states have announced -

1537 -

1538           \*Mr. Wahlberg. I am well over, and I will yield back.

1539           \*Secretary Granholm. It is all at the states and, you  
1540 know, continue to press on all of your governors and your  
1541 offices to make those happen quickly.

1542           \*Mr. Duncan. The gentleman's time has expired. Now I  
1543 will go to Ms. Matsui for five minutes.

1544           \*Ms. Matsui. Thank you very much, Mr. Chairman. And  
1545 welcome, Madam Secretary.

1546           Every year, I lead efforts in the House to support  
1547 robust funding for DOE clean vehicle programs like the  
1548 Vehicle Technologies Office and the Loan Programs Office  
1549 Advanced Technology Vehicles Manufacturing Program. These  
1550 programs are helping to drive innovation in zero emission  
1551 vehicles and finance a new boom in American auto  
1552 manufacturing.

1553           I was glad to see increased funding for both of these  
1554 programs in the President's Fiscal Year 2025 Budget.  
1555 These programs, in combination with the Inflation Reduction  
1556 Act, provide much needed support for domestic manufacturing

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1557 of vehicles and vehicle batteries, including tax credits for  
1558 consumers looking to buy American-made cars and incentives  
1559 for manufacturers looking to build or expand factories in the  
1560 U.S.

1561 Madam Secretary, can you describe how DOE is supporting  
1562 American auto manufacturing and how the Inflation Reduction  
1563 Act is creating good-paying jobs across the country?

1564 \*Secretary Granholm. I am so delighted to answer that  
1565 question because it is working, and thank you so much for  
1566 your support and your leadership in electric vehicles and  
1567 batteries.

1568 So the goal is to get the electric vehicle made here and  
1569 the battery made here and the guts to the battery made here,  
1570 meaning the full supply chain. So in a battery, there is an  
1571 anode, a cathode, a separator, some separator material, and  
1572 electrolyte, and there is critical minerals.

1573 All of those are pieces to the supply chain. All of  
1574 those are the things that are coming back to the United  
1575 States to be manufactured here. We have now 400 companies  
1576 that have announced they are expanding in either EVs or  
1577 batteries in the United States, in pockets all across the

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1578 country, in places -- I mean, I know she is not here, but in  
1579 Moses Lake, Washington, there are four EV batteries that  
1580 never existed before.

1581 It is every place is benefiting from the incentives that  
1582 are embedded in the Inflation Reduction Act and the  
1583 Bipartisan Infrastructure Law to get that manufacturing back  
1584 home, and to have us compete with our economic adversaries  
1585 across the world.

1586 \*Ms. Matsui. Thank you very much. Over the last 10  
1587 years, we have seen incredible technological changes in the  
1588 vehicle market.

1589 The cost of EV batteries has plummeted by more than 80  
1590 percent, and there are now over 30 EV models in the U.S. with  
1591 over 300 miles of range.

1592 How is DOE working to support innovation in vehicle  
1593 batteries, and how would that innovation impact the price of  
1594 EVs?

1595 \*Secretary Granholm. Yeah. Innovation is critical.  
1596 Obviously, we have 17 national labs, and a good number of  
1597 them are focused on reducing the price and looking at EV  
1598 batteries and looking at the research into substitute

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1599 materials for the critical minerals that may cause the prices  
1600 to be higher.

1601           We know that range has significantly expanded, and as  
1602 you noted, the price has dropped significantly, all because  
1603 of research and development that is done by DOE labs or our  
1604 partners in the private sector.

1605           So that investment is benefiting citizens enormously  
1606 because now the price of driving an EV compared to an  
1607 internal combustion engine is astonishing. Because of these  
1608 new batteries, if you fill up your tank, your average tank,  
1609 it costs you about 45 bucks.

1610           If you drive an EV the same amount of time and you plug  
1611 it in at home, it costs you \$15. If you use a fast charger,  
1612 it may cost you up to \$30, but either way, you are saving  
1613 huge amounts of money on operating that vehicle because of  
1614 the technology that is embedded in these next-generation  
1615 batteries.

1616           \*Ms. Matsui. Thank you. Representative Blunt Rochester  
1617 and I lead efforts to support funding for a range of DOE  
1618 energy efficiency programs. Energy efficiency not only saves  
1619 Americans money, it is also essential for meeting our growing



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1620 energy needs. Many utilities across the country are  
1621 projecting significant load growth in the near future, but  
1622 energy efficiency can and should play a significant role in  
1623 blunting the demand.

1624 How is the Building Technologies Office working to  
1625 improve efficiency and reduce energy demand?

1626 \*Secretary Granholm. Yeah, a number of ways they are  
1627 doing that. Number one, is to do, again, research into  
1628 materials that you can build a building with that reduce your  
1629 energy use or that generate energy, number one.

1630 Number two, the technologies through our Energy  
1631 Efficiency and Renewable Energy Office that focuses on  
1632 conservation standards or energy efficiency standards have  
1633 saved taxpayers over \$2 trillion, I want to say \$3 trillion,  
1634 by 2030 as a result of the technologies, again, that the  
1635 private sector and labs across the country have come up with  
1636 to respond to these higher goals of more efficiency.

1637 So the combination of policy and innovation and  
1638 technology has created a huge benefit for the American  
1639 consumer.

1640 \*Ms. Matsui. Thank you very much, and I yield back.

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1641           \*Mr. Duncan. The gentlelady yields back. I now go to  
1642 the Chair of the Oversight and Investigation Subcommittee,  
1643 Mr. Griffith, five minutes.

1644           \*Mr. Griffith. Thank you very much, Mr. Chairman.

1645           Madam Secretary, I represent one of the most  
1646 economically stressed congressional districts in the country.  
1647 Average household income is just barely over \$50,000. That  
1648 is household income, not individual. My people are hurting,  
1649 and they are hurting because in large measure, high energy  
1650 costs. And it is not just gasoline.

1651           A lot of times when people hear that, they think it is  
1652 the gas at the pump. It is also electricity. The utilities  
1653 are constantly asking for rate increases, and I am getting  
1654 constant complaints about it.

1655           And the reason that they are asking for those rate  
1656 increases is in part because of they are switching -- at the  
1657 behest of DOE and EPA, they are switching to more expensive  
1658 fuels. They are switching away from coal and natural gas to  
1659 wind and solar.

1660           And at the same time, the rate payers are still having  
1661 to pay those same people who are out there struggling and

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1662 working hard. They are having to pay for facilities that  
1663 were built 20 years ago with a 50-year life expectancy, or 30  
1664 years ago with a 50-year life expectancy. And those  
1665 facilities are still costing. The stranded assets of the  
1666 utilities still have to be paid for. And the rate payers are  
1667 paying it, but they don't have the money to.

1668 I know it is not just DOE requirements. I know it is  
1669 EPA too, so I don't want to be unfair. But if you were  
1670 sitting in my shoes, what would you tell the people of the  
1671 9th Congressional District of Virginia when they call you up  
1672 and tell you they can't afford to pay their electric bill at  
1673 their house anymore?

1674 \*Secretary Granholm. Yeah, thanks for the question. I  
1675 totally sympathize with this, especially with folks who have  
1676 lower incomes and trying to figure out how they are going to  
1677 make ends meet and the utility bill keeps going up.

1678 You were out of the room, but I was describing one of  
1679 the main reasons for this is because we have a terribly old  
1680 grid and these utilities are wanting to rate-base the price  
1681 of upgrading the transmission lines and the grid and the  
1682 distribution lines and the distribution transformers, et

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1683 cetera.

1684           The price of the renewable energy is actually cheaper.  
1685 Solar is the cheapest form of energy right now. Cheaper than  
1686 coal. Cheaper than natural gas. Natural gas is very low.  
1687 But it tells you that natural gas is super low right now, the  
1688 price of natural gas, but the price of energy bills have not  
1689 come down, even though we rely heavily on natural gas for 40  
1690 percent of our energy mix.

1691           So it tells you that there is something else that is  
1692 going on and a lot of that --

1693           \*Mr. Griffith. But you would agree it is not just the  
1694 grid. It is having to buy new sources of energy and to get  
1695 that new source of energy to the grid is different than the  
1696 old baseload power plants that used natural gas or coal.

1697           Because they have to be more dispersed around the  
1698 countryside and as a result of that, that is part, not the  
1699 only reason, but part of the reason for the grid increase and  
1700 then the fact that they are still paying for that fossil fuel  
1701 power electric generation that was built 20 years ago or 30  
1702 years ago but still has 20, 30 years of life expectancy and  
1703 because of regulations from the federal government, not just

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1704 DOE.

1705           Again, I don't want to say it is all of yours but  
1706 because of that, that is a big chunk of why the prices are  
1707 going up. Even if solar is cheaper over a long -- and I  
1708 dispute that or don't agree with that today, but we will talk  
1709 about that another time. But even if I accept that  
1710 principle, they are having to invest.

1711           The companies, the utility companies are having to  
1712 invest in all new facilities when they have perfectly good  
1713 facilities that the rate payer is already paying for,  
1714 correct?

1715           \*Secretary Granholm. Natural gas is not affected,  
1716 existing natural gas plants are not affected by the EPA rule.  
1717 So that EPA rule does not touch natural gas plants.

1718           On coal plants, it requires in five years technology of  
1719 carbon capture to be installed so they are not polluting.  
1720 Many of the coal plants that have shut down have shut down  
1721 because they just are not finding it financially viable for  
1722 them, and they have chosen to close down because it is not  
1723 something -- people aren't demanding coal utilities --

1724           \*Mr. Griffith. It is not financially viable because of

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1725 government regulations. Now, let me just say this because it  
1726 is something that I think about.

1727 Not everywhere in my district, but there is large parts  
1728 of my district where people have coal in their backyards. We  
1729 even had a member of this Committee one time who owned a  
1730 house with a coal mine in the basement.

1731 When the prices get high enough, they are going to find  
1732 a way to heat their home. It is going to be wood most likely  
1733 in most of my district or it is going to be coal.

1734 But one of the problems that I think that sometimes the  
1735 administration has a hard time understanding is people are  
1736 going to figure out a way to heat their homes hopefully  
1737 safely, but not always the case.

1738 And when you don't have any other choice, when you don't  
1739 have the money to pay that big bill, that might be fine for  
1740 the rich folks, but that is not fine for the people I  
1741 represent. And I yield back.

1742 \*Mr. Duncan. The gentleman yields back, and I will go  
1743 now to Mr. Tonko for five minutes.

1744 \*Mr. Tonko. Thank you, Mr. Chair.

1745 Secretary Granholm, thank you, and the department, for

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1746 all of your work to implement the Infrastructure Investment  
1747 and Jobs Act and the Inflation Reduction Act. I can truly  
1748 state that you and the other leaders at the agency and the  
1749 employees are devoted, consummate professionals, and it is  
1750 much appreciated.

1751 We know that if these historic funds are invested  
1752 effectively, they will have a major impact on making us a  
1753 stronger, cleaner, and more competitive economy.

1754 One of the greatest and often overlooked benefits of the  
1755 Inflation Reduction Act is that it will save Americans  
1756 considerable amounts of money. And one of the ways that  
1757 consumers will experience those savings, most directly, is  
1758 through two new rebate programs which will be administered  
1759 through state governments. I am so proud that New York State  
1760 and NYSERDA were the first in the country to be approved for  
1761 these funds.

1762 So Secretary Granholm, people may have a hard time  
1763 wrapping their heads around a \$158-million opportunity. So  
1764 maybe you can help. When New Yorkers see reports that they  
1765 will soon be able to access rebates for electric appliances  
1766 and other energy efficient home upgrades, can you tell us

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1767 what it will mean for those consumers?

1768 \*Secretary Granholm. Yeah, thank you so much and thanks  
1769 to New York for stepping up and being the example for the  
1770 rest of the states.

1771 We have got a number of states who are in the pipeline  
1772 looking at what New York has done and New York consumers will  
1773 be able to access rebates for things like heat pumps or  
1774 induction stoves or insulation or efficient windows or  
1775 efficient doors in addition to being able to access tax  
1776 credits for generating energy like for solar panels which  
1777 is --

1778 I wanted to sort of kick back to Representative  
1779 Griffith's point about people not having options but actually  
1780 because of the Inflation Reduction Act and the Bipartisan  
1781 Infrastructure Law, particularly for people of modest means,  
1782 the ability to install solar, the ability to generate your  
1783 own energy at home for very minimal price, and it gives you  
1784 energy security, is one thing that consumers all across the  
1785 country can take advantage of.

1786 These two programs, one is called HER and one is called  
1787 HOMES, but the bottom line is they both ensure that citizens,



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1788 no matter what your income bracket, actually can take  
1789 advantage of rebates and make your home more efficient so it  
1790 is very exciting. Up to \$1,700 for a home if you want to  
1791 install this efficient equipment and that can save up to 30  
1792 percent on your energy bills.

1793 \*Mr. Tonko. Wonderful. And I understand that each  
1794 state's program will operate a little differently but can you  
1795 tell us how a state might choose to run this program?

1796 \*Secretary Granholm. Yeah, this is all being funded  
1797 through the state energy offices so every state can organize  
1798 it in a way that best suits them.

1799 New York had an advantage because they already had a  
1800 program set up so it enabled them to sort of build into their  
1801 existing rebate program but what we expect is that  
1802 particularly for home appliances either the installer who  
1803 comes to your home will give you a discount at the point of  
1804 installation or if you buy your appliance at a Lowe's or at  
1805 an appliance warehouse, that you will get that rebate at the  
1806 point of sale.

1807 But the bottom line is it takes money off at the point  
1808 where you are required to pay so it makes it a little easier.

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1809 There is another program that gives you a tax credit so those  
1810 who have incomes high enough to be able to have tax liability  
1811 can, take advantage of that at tax time but for most people  
1812 it will be at the point of sale.

1813 \*Mr. Tonko. And what is the best way for consumers to  
1814 find out about whether they are eligible for these rebates?

1815 \*Secretary Granholm. Yeah, I mean you can go to our  
1816 website [energy.gov/save](http://energy.gov/save), and it will tell you what you are  
1817 eligible for and we encourage people to do that no matter  
1818 what state you live in.

1819 \*Mr. Tonko. Super, and I look forward to working with  
1820 the agency and getting the word out to New Yorkers. And the  
1821 budget that the President proposed also would have funds to  
1822 help oversee these rebates along with weatherization  
1823 assistance programs and state energy programs.

1824 How important is that administrative funding to support  
1825 this network?

1826 \*Secretary Granholm. Well, clearly we want to make sure  
1827 that, first of all, people are aware of the programs and that  
1828 they are administered well so we appreciate the fact that  
1829 there has been additional administrative funds granted in the

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1830 2024 budget for these programs.

1831 And if we want them to work well you have to have the  
1832 people to be able to make sure that taxpayers are protected  
1833 but also that taxpayers take advantage of it.

1834 \*Mr. Tonko. Right, and we know critical minerals, on  
1835 another topic, are foundational to our clean energy  
1836 transition especially for batteries.

1837 Yesterday, Congressman Garret Graves and I introduced  
1838 new bipartisan legislation called the Critical Materials  
1839 Trace Act which would have DOE support the development of  
1840 digital identifiers for clean energy technologies to enable  
1841 accurate reporting of each product's critical mineral  
1842 components, their sources, and their manufacturing history.

1843 The private sector and the EU have been leading the way  
1844 in this sort of development often referred to as battery  
1845 passports.

1846 So Secretary, can DOE and MESC play a role here in  
1847 ensuring critical mineral supply chains are secure and  
1848 sourced in an ethical --

1849 \*Secretary Granholm. Yes. Absolutely.

1850 \*Mr. Tonko. -- sustainable way?

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1851           \*Secretary Granholm. We look forward to working with  
1852 you on that important piece of legislation.

1853           \*Mr. Tonko. Great. So we will be in contact with the  
1854 agency. But again, thank you, thank you, thank you.

1855           And with that, Mr. Chair, I yield back.

1856           \*Mr. Duncan. The gentleman yields back. I will now go  
1857 to the Chair of the Health Subcommittee, Mr. Guthrie, for  
1858 five minutes.

1859           \*Mr. Guthrie. Hey, thank you, Madam Secretary, for  
1860 being here. Appreciate you being here.

1861           Last time you were here, it is hard to remember from a  
1862 year ago, but I remember we talked about the EV and the EV  
1863 mandates coming forward, and I know, being the former  
1864 Governor of Michigan, I have great appreciation for the  
1865 American automotive industry moving forward.

1866           And my concern was before that the EV mandates are just  
1867 going to make inefficient the automotive industry. For  
1868 example, after the Inflation Reduction Act, Ford Motor  
1869 Company, and we are proud did, made a decision to build two  
1870 battery plants in my district.

1871           Now that the market is kind of moving forward, they are

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1872 going to go forward with -- they are finishing both or the  
1873 shell of both, but going to go forward with one. It is just  
1874 that -- and you hear dealers talk about people just don't  
1875 want the cars now.

1876           And the issue is, and I know that your experience and  
1877 Jim Farley from Ford had experience of just having access to  
1878 batteries, battery charging and so this gets to my --

1879           My question is, every time we bring up, we are going to  
1880 go to electric cars mandate, but we don't have enough  
1881 charging. We don't have enough lithium. We don't have --  
1882 and all this stuff, we just get called naysayers in the  
1883 system.

1884           But they are real issues for real people when they make  
1885 decisions whether or not to buy a car. We can call us  
1886 naysayers, but if I am somebody who wants to buy an electric  
1887 car, I have got to figure out how far can I go on it, and it  
1888 does factor into them. But I understand EPA is moving  
1889 forward with the rule. I know that is EPA.

1890           But as Secretary of Energy, you know, Director of the  
1891 overall transportation energy strategy, are you concerned  
1892 that we are moving too fast with EVs, given a year later we

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1893 now see that, you know, some of our automotive companies have  
1894 made decisions not to build out as much as they had predicted  
1895 they would last year?

1896       \*Secretary Granholm. I am not concerned that we are  
1897 moving too fast. Yes, we are seeing, in fact, a great uptake  
1898 in EVs. There is a 30 percent increase year over year, which  
1899 I think any automaker would be happy to have, but we also  
1900 know that as new products come online, you have got to make  
1901 sure that the ecosystem surrounding them makes people  
1902 comfortable, and so that is why the charging infrastructure  
1903 is so very important, and we are working on that.

1904       That is why making sure we have got long range in the  
1905 batteries is very important, and we are working on that, so  
1906 if we can get a 300-mile-plus battery and have that vehicle  
1907 be affordable, this is why the Inflation Reduction Act  
1908 reduced the prices.

1909       \*Mr. Guthrie. Well, if you could have a 300-mile  
1910 battery with an affordable and charging station, that is  
1911 probably -- but I will tell you, if you talk to car dealers,  
1912 they say they can't sell them. They just absolutely can't  
1913 sell them, and that is the concern.

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1914 I do think people are going to buy electric cars as we  
1915 move into the future. They are actually a pretty good  
1916 product, but forcing it to happen as quickly as it is  
1917 happening without the market deciding that is one of the  
1918 issues.

1919 But the other thing is we do have to have the minerals,  
1920 and Benchmark Mineral Intelligence estimates that 380 new  
1921 mines are needed over the next decade to meet EV and other  
1922 clean energy technologies.

1923 What is the DOE working with the Biden administration to  
1924 make sure we have permits, the ability to mine?

1925 \*Secretary Granholm. Yeah, I mean, first of all, just  
1926 yesterday, the Loan Programs Office announced that it was  
1927 open for business for mining, for extraction, for those who  
1928 want to be able to do that, which is very important, and they  
1929 have --

1930 \*Mr. Guthrie. You have to get them permitted.

1931 \*Secretary Granholm. Well, no, no, and the permitting,  
1932 I mean, we have been talking about that over here with  
1933 Representative Peters about the importance of permitting, and  
1934 I would say as well the importance of updating the Mining

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1935 Act, which would make that all much more easy.

1936 We can do sustainable mining in this country, but our  
1937 Acts and our permitting has been woefully behind the scenes,  
1938 so --

1939 \*Mr. Guthrie. Yeah. Permitting reform --

1940 \*Secretary Granholm. It would be great for -- that is a  
1941 good to-do on your list.

1942 \*Mr. Guthrie. That is a good -- permitting reform, I  
1943 agree with you on that as well. And I am sorry, I had to  
1944 step out for another meeting, but you talked about we need to  
1945 update our poles and our transmission, our poles, power  
1946 transformers, and so forth, but also our power generation is  
1947 important.

1948 And my concern, I know DOE entered a MOU with EPA, and  
1949 there is a lot of letters there, to address reliability risk  
1950 from EPA's actions, but the real concern is, I have had  
1951 people who are in the power industry, you say we are having  
1952 increase in demand, and we are not permitting. We are not  
1953 creating enough generation to move forward, but we are also  
1954 taking generation out, like plants that have useful life out  
1955 because people don't like their source of generation.



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1956           So the question is, how can we ensure that we have ample  
1957 supply of power as we move forward in terms of generation.  
1958 And the question is, should we be taking -- I guess the  
1959 question would be this. Should we be taking plants with  
1960 useful life out of production now that we know that we need  
1961 more demand, there is more demand coming?

1962           \*Secretary Granholm. Yeah. Number one, the EPA rule  
1963 does not touch natural gas plants. Existing natural gas  
1964 plants are not --

1965           \*Mr. Guthrie. There are also coal generation plants  
1966 too. We still have coal generation plants. Yeah.

1967           \*Secretary Granholm. Yes, but on the coal side, if it  
1968 has got life ahead of it, it can exist with carbon capture  
1969 technology, and there is ways to be able to finance that  
1970 carbon capture technology so that has life.

1971           But I will say that the Inflation Reduction Act has  
1972 incentivized a huge amount of generation as well, including  
1973 40 gigawatts last year that came online, 81 percent of which  
1974 was clean, solar, 60 gigawatts projected this year coming  
1975 online. And in addition to that, these tools that I was  
1976 discussing before you were here, tools like reconductoring

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1977 and virtual power plants and storage and grid enhancing  
1978 technologies can also add 100 gigawatts to the system. We  
1979 just issued a Grid Liftoff Report.

1980 \*Mr. Guthrie. I am out of time. So thanks for your  
1981 answer, but I am out of time.

1982 \*Secretary Granholm. You bet.

1983 \*Mr. Guthrie. Thank you.

1984 \*Mr. Duncan. The gentleman's time has expired. Now I  
1985 will go to Dr. Schrier for five minutes.

1986 \*Dr. Schrier. Well, thank you, Chair Duncan. And thank  
1987 you so much, Secretary Granholm, for being here today. I  
1988 want to first give you just a big thank you and shout out for  
1989 recognizing the Pacific Northwest's potential for a hydrogen  
1990 hub ripe with opportunity to develop a robust industry for  
1991 the alternative fuel that will prove extremely important for  
1992 hard-to-decarbonize sectors such as heavy-duty vehicles and  
1993 also for baseload and emergency generation as the energy grid  
1994 variability and disruptions become increasingly common.

1995 The hydrogen hub will allow the Pacific Northwest to  
1996 produce the greenest hydrogen fuel in the entire nation.

1997 Today, I want to discuss a pressing issue that is top of

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1998 mind for every utility across the district, certainly in my  
1999 district, and that is the transformer shortage that we  
2000 continue to see across the U.S.

2001           Just last September, I spoke with Assistant DOE  
2002 Secretary Gene Rodrigues about the problems that the supply  
2003 shortfall is causing, and I asked what DOE is doing to  
2004 alleviate that shortage.

2005           I was really encouraged by the Assistant Secretary's  
2006 talk of collaboration with industry and working with them to  
2007 incentivize industry to share units between utilities, and  
2008 create more universal standards for transformers so they  
2009 could have interoperability.

2010           So I am aware of DOE's efforts at this point, but we are  
2011 now eight months out from that discussion. The picture has  
2012 generally stayed the same. My office recently checked in  
2013 with the specific public utility district that I mentioned  
2014 last time, and while their inventory has gotten a little bit  
2015 better, their supply has not even come close to meeting  
2016 demand.

2017           So the lack of access has forced utilities to delay or  
2018 even cancel projects. Affordable housing projects are being

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2019 canceled right when our housing inventory is low and prices  
2020 are skyrocketing, and it also makes our existing  
2021 infrastructure more vulnerable in case of storms, wildfires  
2022 that occur in the Northwest.

2023 In fact, during Hurricane Katrina, just as an example,  
2024 the affected states lost 12,600 transformers, and so  
2025 utilities always need to have these on hand just in case.

2026 The damage or failure of a single LPT, the large ones,  
2027 can take down an entire substation. In my own district, we  
2028 recently had vandalism, an attack on these, and thousands of  
2029 people celebrated Christmas in the dark.

2030 So this continues to come up with the utilities in my  
2031 district. The GAE has said that DOE has done important work,  
2032 but I am wondering, just to speed things along, has DOE  
2033 reexamined all possible options and developed a rapid  
2034 implementation strategy?

2035 \*Secretary Granholm. Yeah, thanks for the question, and  
2036 this has clearly been a huge problem, not just in your  
2037 district, but across the country, getting access to  
2038 distribution transformers.

2039 Three things. One, we had proposed a rule on

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2040 distribution transformers with respect to efficiency. We  
2041 have gotten feedback. We have reevaluated that and put out a  
2042 new rule that encourages the distribution transformers and  
2043 the full supply chain to be made in the United States.

2044         Number two, we have set up, and I am sure that Assistant  
2045 Secretary Rodrigues was talking about how we had set up a  
2046 tiger team to identify where the pinch points were, and  
2047 because of that, a lot of it was workforce, some of it was  
2048 making sure that we had the right supply chain, et cetera.

2049         But we have focused on that through our Manufacturing  
2050 and Energy Supply Chain Office. We just gave out an \$18  
2051 million grant under 48C to Siemens to do large power  
2052 transformers in the United States, which is great.

2053         There are three companies that have announced that they  
2054 are now expanding and building transformer factories in the  
2055 United States in addition to Siemens, Eaton, and Prolec. So  
2056 we are encouraged by that.

2057         So we are hopefully going to start to see some loosening  
2058 of the system so that utilities are able to access what we  
2059 need.

2060         \*Dr. Schrier. Thank you. We actually, in this

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2061 Committee, asked for a little bit of a delay in the  
2062 requirement for these to be only manufactured in the U.S.  
2063 simply because of this crisis.

2064         And so I guess I would just, in my limited time, just  
2065 encourage, you know, whatever we can do to give financial  
2066 assistance, technical assistance, to get these manufactured  
2067 here. And as my colleagues submit funding requests, let's  
2068 make sure that is one that is included.

2069         I wanted to just, in my last 14 seconds, just thank you  
2070 for funding our national labs. They are doing so much of the  
2071 work that will relieve a lot of our concerns about sourcing  
2072 from foreign countries and being able to manufacture the  
2073 batteries of the future right here, among other things so  
2074 thank you from PNNL.

2075         I yield back.

2076         \*Mr. Duncan. The gentlelady yields back. I will now go  
2077 to the gentleman from Indiana, Dr. Bouchon, for five minutes.

2078         \*Mr. Bucshon. Secretary, thanks for being here.

2079         I just want to say at the outset, you know, touting all  
2080 these federal grants, trillions of dollars going out the  
2081 door, that is great, except for the fact that when people in

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2082 my district go to the grocery store, they can't afford their  
2083 food, and they can't afford their energy costs, and inflation  
2084 is a huge problem. That has been driven primarily, in my  
2085 view, in the post-COVID era by some of the legislation that  
2086 was passed without a single Republican vote.

2087 In my district, people know this, you know, and  
2088 honestly, the government handing out money to a select few  
2089 people doesn't make everybody else happy when inflation is  
2090 through the roof.

2091 I really appreciate your time, but since you last  
2092 testified, we have continued to see some of the debilitating  
2093 effects of the administration's rush to green. Like many of  
2094 us here, I am strongly supportive of an all-of-the-above  
2095 approach to energy. It ensures affordability, reliability,  
2096 resilience. I support renewables. I support EVs.

2097 Unfortunately, the current trajectory we are on is going  
2098 to be -- we are on a crash course to increase grid overloads  
2099 and blackouts and brownouts, and that is just not my opinion.  
2100 This is the facts.

2101 As we move forward to the digital age, and pivoting a  
2102 little bit, Indiana is emerging as a major Midwest tech hub

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2103 and a current leader in microelectronics technology.

2104           Currently, Indiana has a multitude of new projects in  
2105 the pipeline, many of which are data centers that are  
2106 projected to require an additional seven gigawatts of energy  
2107 to be fully operational. This is a nationwide issue. This  
2108 increased need for energy amounts to almost 10 percent of  
2109 Indiana's current grid capacity.

2110           I believe that you cannot ensure reliability and  
2111 resiliency with wind and solar alone. It just cannot be  
2112 done. We need an all-the-above approach, nuclear, fossil,  
2113 hydro, renewables.

2114           So my question is, what is the plan at the Department of  
2115 Energy not to just maintain the status quo, but if we do  
2116 things like grow our technology industry or we transition to  
2117 all EVs, the increased demand that we have for energy as we  
2118 are actually decreasing our ability to produce base load  
2119 power.

2120           People say EVs alone, if you go to that totally, 30  
2121 percent increase in the grid, demand on the grid, some  
2122 estimates.

2123           What is our plan to not only maintain the status quo,



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2124 but how are we going to increase the power that we need when  
2125 we are at the same time taking off a lot of our base power  
2126 out of the system?

2127 \*Secretary Granholm. First of all, it is an issue about  
2128 how we can both increase demand and increase efficiency and  
2129 make sure that we are still feeding the power to all of these  
2130 new manufacturing facilities.

2131 Indiana has 22 of them just in the past few years, a lot  
2132 of which are for clean energy products.

2133 \*Mr. Bucshon. Yeah.

2134 \*Secretary Granholm. So that is fantastic. But they  
2135 are going to require additional power, as are the AI, the  
2136 data centers, et cetera.

2137 We also know, though, that we have the tools within our  
2138 disposal to be able to manage the increase. One is that we  
2139 are incentivizing additional generation.

2140 And when you combine renewable with batteries, it  
2141 becomes baseload-like. And we want to incentivize nuclear,  
2142 clearly. We want to make sure these new data centers, for  
2143 example, maybe they come with -- they aren't permitted unless  
2144 they come with an SMR or something like that on the local

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2145 level to think about them bringing it rather than socializing  
2146 those costs across the rate base. So those tools are in our  
2147 disposal.

2148           You talk about electric vehicles. There is no mandate,  
2149 but people are --there is an uptake in electric vehicles.  
2150 The batteries for those electric vehicles and the batteries  
2151 associated with distributed energy resources in homes can  
2152 create a virtual power plant.

2153           If we are smart about how we move power and how we  
2154 gather and how we compensate people for the ability --

2155           \*Mr. Bucshon. Okay.

2156           \*Secretary Granholm. -- to access that power, that is a  
2157 whole other resource that we had not had in the past. So all  
2158 of these tools can get us to a reliable --

2159           \*Mr. Bucshon. Well, we are thinking about it. That is  
2160 the point.

2161           \*Secretary Granholm. Yeah, for sure.

2162           \*Mr. Bucshon. Okay. The EVs, they are more popular in  
2163 D.C., LA, New York City, and other places. Southwest  
2164 Indiana, not so much. So I would encourage you to go to  
2165 rural America and talk to them about the infrastructure

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2166 challenges that we have with EVs. People want them,  
2167 potentially, but there is just no infrastructure in place.  
2168 You can't do it.

2169 I want to talk about carbon capture, and I know in 2021,  
2170 the IIJA established within the DOE a carbon dioxide  
2171 transport infrastructure finance and innovation program. I  
2172 got that out. Authorized \$2.1 billion for low-interest loans  
2173 and grants.

2174 Carbon dioxide pipeline infrastructure is essential for  
2175 meaningful deployment of CCUS technology, carbon capture.  
2176 Yet, we have seen that CO2 pipeline projects have been  
2177 stalled across the nation.

2178 Have we given out any grants at all? Can you report  
2179 loan programs, office disbursement, or any funding to support  
2180 CO2 infrastructure?

2181 \*Secretary Granholm. Loan Program Office disbursement,  
2182 have they done any of that? I am going to have to get back  
2183 to you on that because I am not sure that they have actually  
2184 focused on CO2 infrastructure.

2185 However, to your point, we need CO2 infrastructure.  
2186 There is no doubt about that, and we also need, as we have

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2187 discussed on this Committee, permitting reform to make sure  
2188 these are happening quickly.

2189 CO2 infrastructure is also hydrogen pipeline  
2190 infrastructure --

2191 \*Mr. Bucshon. I understand. And if you would get back  
2192 to the Committee on, you know, the authorization of \$2.1  
2193 billion in loans to support this infrastructure and what we  
2194 have done so far, I would appreciate it.

2195 \*Secretary Granholm. Yeah. Will do.

2196 \*Mr. Bucshon. Thank you, Madam Secretary.

2197 \*Mr. Duncan. The gentleman's time has expired. I will  
2198 now go to Florida's Ms. Castor for five minutes.

2199 \*Ms. Castor. Well, thank you, Mr. Chairman.

2200 Good morning, Madam Secretary. Thank you for all that  
2201 you are doing to bring cleaner, cheaper energy to our  
2202 neighbors back home.

2203 It is so gratifying to see the infrastructure law and  
2204 the Inflation Reduction Act passed in the last Congress  
2205 really delivering for our neighbors back home cheaper energy  
2206 through renewables or energy efficiency or being able to  
2207 weatherize their homes so thank you.

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2208           It was difficult for me to keep up with your opening  
2209 statement, and it has been difficult to keep up with the  
2210 announcements on clean energy manufacturing opening up.

2211           So can you go through those again? Did you say 600 new  
2212 clean energy projects over the last -- is that --

2213           \*Secretary Granholm. Yeah. Since the passage of the  
2214 Bipartisan Infrastructure Law, 600 factories, 400 of those  
2215 involving EVs or batteries, but 600 factories -- is that  
2216 right -- 600 factories, for sure, in this clean energy space  
2217 and opening up in all pockets of the country.

2218           \*Ms. Castor. An attraction of private investment.

2219           \*Secretary Granholm. Attracting private investment, of  
2220 course, because these factory announcements, this is separate  
2221 from the Department of Energy funded. These are from the  
2222 Inflation Reduction Act.

2223           \*Ms. Castor. Congressman Peter said \$649 billion in  
2224 private investment.

2225           \*Secretary Granholm. Huge, because there is a 30  
2226 percent tax credit and then the private sector comes in and  
2227 puts in their amount. So there is massive investment --

2228           \*Ms. Castor. So these are good --

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2229           \*Secretary Granholm. -- happening.

2230           \*Ms. Castor. -- paying jobs all across America.

2231           \*Secretary Granholm. All across America.

2232           \*Ms. Castor. Bolstering our supply chains. So when I  
2233 hear some of my friends across the aisle say, this is helping  
2234 China. Is this helping China?

2235           \*Secretary Granholm. No. I mean, China is, I think,  
2236 very upset that we are doing this to attract all of the  
2237 components of the supply chains here. Now, China had a huge  
2238 footprint, right, on particularly the critical minerals and  
2239 the processing of them for batteries.

2240           And so, we have been very aggressive about trying to get  
2241 those components back in the United States, and it is work.  
2242 We have to continue to work at it but the bottom line is  
2243 China sees a threat.

2244           \*Ms. Castor. They sure do. And Ranking Member Pallone  
2245 says this the Republicans are misleading the public. I would  
2246 just call this a whopper. It is a whopper of misleading the  
2247 public. And in fact, just yesterday, a company visited me  
2248 here in Washington and said that they are going to open a  
2249 manufacturing plant for solar in the Sunshine State, which is

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2250 welcome, and it was 1,700 jobs, which is welcome.

2251 I have also listened to some of my colleagues talk about  
2252 the price spikes. And as a matter of fact, on the front page  
2253 of my hometown paper this morning in the Tampa Bay Times,  
2254 they say, "Why Florida Electric Bills Skyrocketed Recently,  
2255 Here's Why."

2256 You know what they say? It is because of the exorbitant  
2257 price of fracked gas. Florida, you would think, as the  
2258 Sunshine State, would be reliant on solar power, the abundant  
2259 free power of the sun, but, you know, our utilities rely on  
2260 fracked gas. Seventy-five percent of our electricity  
2261 generation comes from fracked gas.

2262 So what this analysis says is that the utilities, of  
2263 course, passed along those price spikes to consumers. From  
2264 2020 to 2022, the price of gas more than doubled, an increase  
2265 that the Economic Forecasting Center called incredible. It  
2266 is alarming to just see these prices keep rising markedly the  
2267 last couple of years. It is like an apocalypse.

2268 And then, as gas prices have come down, the utilities  
2269 haven't really passed along the savings. Meanwhile, they are  
2270 slow-walking investments in solar. The State of Florida is

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2271 not passing along rebates for electric -- for energy  
2272 efficiency. They are slow-walking weatherization.

2273 What does that mean to consumers that are struggling  
2274 with, by the way, the hottest temperatures ever last summer  
2275 in July and August, so they have to run their air  
2276 conditioning bills?

2277 \*Secretary Granholm. Yeah, thank you so much for your  
2278 leadership on the Inflation Reduction Act and the Bipartisan  
2279 Infrastructure Law. Because they really are providing  
2280 consumers with options to be able to make their lives  
2281 affordable, at least on the energy side.

2282 If you can install solar panels, and if you are low  
2283 enough income, for example, on weatherization, you might have  
2284 solar panels installed so you can generate your own, in  
2285 addition to saving energy because of installed efficient  
2286 appliances and insulation. Thank you for double -- excuse  
2287 me, 10 --

2288 \*Ms. Castor. Can I also, since my time is limited.

2289 \*Secretary Granholm. Yeah.

2290 \*Ms. Castor. I get so worked up over this, as you can  
2291 tell, but the Grid Liftoff Report also highlighted some of



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2292 the barriers across the country that Congressman Peters  
2293 talked about, yes, in permitting, but just this outdated  
2294 structure where you have states that are making critical  
2295 decisions and throwing up barriers, are you able to work with  
2296 states and RTOs and others to really get the gets onto the  
2297 grid and help them with increasing line writing and  
2298 delivering cost savings?

2299 \*Secretary Granholm. A lot of them, but some of them,  
2300 no. Some of them are -- it is new, and so utilities, of  
2301 course, are risk averse.

2302 \*Ms. Castor. I think I understand that in the so-called  
2303 Sunshine State.

2304 Mr. Chairman, I would like to ask unanimous consent to  
2305 submit for the record this newspaper story, "Florida Electric  
2306 Bills Skyrocketed Recently, Here's Why," for the record.

2307 \*Mr. Duncan. Without objection, so ordered.

2308 \*Ms. Castor. Thank you, and I yield back.

2309 \*Mr. Duncan. The gentlelady's time has expired, and I  
2310 will go to Mr. Curtis for five minutes.

2311 \*Mr. Curtis. Thank you, Mr. Chairman. Madam Secretary,  
2312 great to have you here.

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2313 I would like to first of all give you a shout out for  
2314 your work with me and the Conservative Climate Caucus for  
2315 visiting us and realizing that we have a lot of things in  
2316 common. I will just suggest that I think we can all agree we  
2317 are looking for affordable, reliable, clean power. We want  
2318 the U.S. to lead on that.

2319 Let me talk today about a subject that is important to  
2320 all of us, nuclear energy, and how do we get this rolling. I  
2321 have a bill called the Advanced Nuclear Reactor Prize Act  
2322 waives the fees for first movers to help them successfully  
2323 license and deploy. I am extremely excited about the  
2324 potential of our next generation nuclear and have seen  
2325 firsthand the difficulties.

2326 We had an agency in Utah called UAMPS, a conglomeration  
2327 of cities trying to get a small nuclear reactor. They were  
2328 about ten years into it. Halfway through the programming  
2329 process, \$100 million into it, and just had to walk away from  
2330 it. I think we can all agree that we have got to figure out  
2331 how to make that not happen.

2332 My bill would fix this in part by authorizing you, the  
2333 Secretary of Energy, to make targeted awards to cover

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2334 regulatory costs of the first nuclear technologies that are  
2335 licensed and operational.

2336 I am wondering if you could talk for just a minute about  
2337 how you see incentivizing nuclear and how do we get this  
2338 thing rolling.

2339 \*Secretary Granholm. Great. Thank you so much. Thank  
2340 you for voting for the 2024 budget which did some of that for  
2341 small modular reactors. There was a billion dollars in there  
2342 for \$800 million for the reactors and then some workforce  
2343 funding as well. Super important but \$800 million may not  
2344 cover a full suite of six-pack or 10-pack of small modular  
2345 reactors and no utility wants to be the first of a kind.  
2346 They want to be the nth of a kind.

2347 And so the question is how do we bundle them together to  
2348 make the situation like UAMPS not happen again. UAMPS, of  
2349 course, involved an advanced nuclear reactor and the Congress  
2350 has been very generous in supporting a couple of those as  
2351 well. We have to recognize that nuclear technology as clean  
2352 baseload power is very important to our energy mix.

2353 It currently occupies 20 percent, almost 20 percent, of  
2354 our overall energy supply and we need more. But we also have

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2355 to make sure we continue to drive the prices down and the  
2356 capital expense of the first ones.

2357           This is why I think the combination of the data centers  
2358 combined with some of these SMRs together give both the  
2359 technology companies who have some funding and not you giving  
2360 technology companies funding. Technology companies have the  
2361 funding and can afford to be able to do some of those small  
2362 modular reactors in partnership with their data centers so  
2363 they are not pulling from the grid.

2364           The bottom line is nuclear is a very important piece of  
2365 things. The uranium funding that was just approved yesterday  
2366 in the Senate hugely important to be able to create a uranium  
2367 strategy, a halo strategy for these next generation reactors.  
2368 Thank you for your leadership.

2369           \*Mr. Curtis. A little bit of what you are explaining is  
2370 not a few nuclear reactors but a number of them. I think we  
2371 can all agree in this room we want U.S. to lead on that.

2372           \*Secretary Granholm. Yes.

2373           \*Mr. Curtis. We don't want to lose that to overseas.

2374           Let's talk about permitting reform in general for a  
2375 minute. I think we can all see that permitting reform is a

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2376 huge obstacle to where we are going.

2377 I want to brag about Utah for a minute. Almost every  
2378 energy source that you can imagine and even storage of that  
2379 in Utah. And yet everybody keeps coming to me, as they  
2380 probably do to you, we can't get these permitted. I realize  
2381 a lot of this is outside of the scope of DOE. But you do  
2382 invest in many of these technologies that will someday be  
2383 deployed to scale.

2384 How does permitting reform have an enabling effect on  
2385 your projects and what can you say to us about how we move  
2386 forward on this permitting reform issue?

2387 \*Secretary Granholm. Yeah. I appreciate Congress'  
2388 willingness in a bipartisan fashion to at least continue to  
2389 work on that.

2390 In the meantime, this administration is trying to do  
2391 what it can from an administrative point of view. We just  
2392 passed a rule that allows for us to have a two-year cap on  
2393 permitting for transmission on public lands. It is called  
2394 CITAP. I am excited about that. Announced that in Utah as a  
2395 matter of fact. We are pleased about being able to move  
2396 forward how we can.

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2397           But having a shot clock like that embedded in law I  
2398 think would be important because it organizes people. The  
2399 ability to have one office be the point person for projects,  
2400 as opposed to having developers go to multiple offices, is an  
2401 important step that would be helpful in law. It is certainly  
2402 what we are trying to do on the administrative side.

2403           The ability to make sure that we have categorical  
2404 exclusions in already developed areas for the development of  
2405 generation. Those kinds of things are very important. It is  
2406 what we are trying to do as an administration, but it would  
2407 be great to have it in law.

2408           \*Mr. Curtis. I am sorry we are out of time but would  
2409 love to continue to work with you on all of those things.  
2410 Thank you.

2411           \*Secretary Granholm. Thank you.

2412           \*Mr. Duncan. The gentleman's time has expired. I will  
2413 now recognize Mr. Sarbanes for five minutes.

2414           \*Mr. Sarbanes. Thank you very much, Mr. Chairman.  
2415 Secretary Granholm, you will not be surprised to hear that I  
2416 think you are doing a terrific job. I want to thank you for  
2417 all your work from the outset. And in particular today just

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2418 talking about the amazing progress the Department of Energy  
2419 is making in implementing the Bipartisan Infrastructure Law  
2420 and Inflation Reduction Act. It is really good stuff.

2421         These investments are critical to strengthening our  
2422 domestic energy profile and fortify our overall energy and  
2423 national security interests in the larger global marketplace,  
2424 as you know. Given the precarious state of global energy  
2425 markets and the impact that global conflicts such as the war  
2426 in Ukraine, which you have talked about, have had on energy  
2427 security, it is critically important we continue work in  
2428 partnership with our allies to explore clean energy solutions  
2429 and think carefully about our broad energy future.

2430         The Department of Energy, as you are well aware, has  
2431 done an excellent job of working in tandem with international  
2432 partners to achieve our clean energy goals, and one example  
2433 of this is the implementation of the U.S.-Israel Energy  
2434 Center. I wondered if you could speak about the  
2435 accomplishments of the U.S.-Israel Energy Center and the  
2436 importance of reauthorizing the center.

2437         \*Secretary Granholm. Yeah, thanks for that. You know,  
2438 between the BIRD Energy Program and the U.S.-Israel Energy

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2439 Center, which recently met at DOE headquarters for their  
2440 first in-person executive meeting, we welcomed over 40  
2441 members of the committee, the executive committee at the  
2442 various consortia, to meet with projects.

2443 It is critical that we continue to forge partnerships on  
2444 technology and on advances and on entrepreneurship and on  
2445 ways and learn from one another and, you know, between BIRD  
2446 and the U.S.-Israel Energy Center, those two mechanisms of  
2447 ensuring that we get the best ideas going in both directions  
2448 is very important.

2449 Israel has got obviously huge expertise in things like  
2450 smart agriculture and in batteries and in all the things that  
2451 we are focused on as well, given that they are so in an area  
2452 that is sensitive to not having to use fossil fuels from  
2453 neighbors that may not be in their camp, I will just say. So  
2454 we can learn a lot from each other.

2455 \*Mr. Sarbanes. Thanks very much, and building off the  
2456 success of the U.S.-Israel Energy Center, you know that  
2457 Congress enacted a few years back the bipartisan Eastern  
2458 Mediterranean Security and Energy Partnership Act. That was  
2459 in 2019. It authorized the U.S. Eastern Mediterranean Energy



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2460 Center, a similar center for energy research and  
2461 collaboration, in this case, with Cyprus, Greece, and Israel,  
2462 so very much modeled after the U.S.-Israel Energy Center,  
2463 which it is a terrific opportunity, this new one, to assemble  
2464 many key partners around these critical issues.

2465 In DOE's own words, this center will, quote, "strengthen  
2466 the region's energy security, bring economic growth for  
2467 countries across the region, deepen geopolitical ties among  
2468 participating governments, and open commercial opportunities  
2469 for U.S. companies.'" That as a quote from a concept paper  
2470 that I know the department has developed. I know there is  
2471 another concept paper, kind of a revised one, in the works  
2472 right now.

2473 Could you explain the Department of Energy's plans for  
2474 the United States Eastern Mediterranean Center, I call it the  
2475 East Med Center, and how the department's preparations will  
2476 allow you to establish the center once resources are  
2477 appropriated, which we are working on feverishly here to make  
2478 sure that there is funding in place for this initiative?

2479 \*Secretary Granholm. Yeah, thank you so much for your  
2480 leadership on that, making sure that we can do it. I mean,

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2481 this is, of course, forging ties between Israel, Cyprus,  
2482 Greece, and Egypt. Critical area, critical for us to be able  
2483 to share ideas, again, on energy security, and as we all know  
2484 with these multi-country centers like that, the benefit is  
2485 because we are able to share researchers, to be able to  
2486 cross-pollinate universities and research labs, and that is  
2487 exactly what this would be doing.

2488 We are excited to continue working with you on it and  
2489 hopefully get the funding for it.

2490 \*Mr. Sarbanes. Great. I look forward to that as well,  
2491 and working with my colleagues, including on this Committee,  
2492 Congressman Bilirakis, are very keen on advancing this center  
2493 and getting it stood up. It is an important bipartisan  
2494 priority. Again, thank you for all the terrific work that  
2495 you are doing at the department. I yield back.

2496 \*Mr. Curtis. The gentleman yields, and the Chair  
2497 recognizes the gentlewoman from Arizona, Ms. Lesko.

2498 \*Ms. Lesko. Thank you, Mr. Chair. And thank you,  
2499 Secretary, for being here.

2500 I want to ask you about the Energy Policy and  
2501 Conservation Act and changes in appliance efficiency

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2502 mandates. Specifically, yes or no, do you agree that  
2503 appliance regulation should be technologically feasible?

2504 \*Secretary Granholm. Yes.

2505 \*Ms. Lesko. And yes or no, do you agree that appliance  
2506 regulation should not increase net costs for consumers?

2507 \*Secretary Granholm. Yes.

2508 \*Ms. Lesko. Yes or no, do you agree that appliance  
2509 regulation should save a significant amount of energy?

2510 \*Secretary Granholm. Yes.

2511 \*Ms. Lesko. Efficiency mandates increase the upfront  
2512 cost of appliances, which can really hurt low-income families  
2513 and renters who do not have the luxury of waiting years for  
2514 the energy savings to break even.

2515 Yes or no, do you agree that three years is a reasonable  
2516 payback period for efficiency regulations?

2517 \*Secretary Granholm. I think it depends. I think it  
2518 depends.

2519 \*Ms. Lesko. And if it is not three years, how long do  
2520 you think the American people should have to wait for a DOE  
2521 efficiency mandate to save money?

2522 \*Secretary Granholm. Well, I think ideally, you would

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2523 like it to actually have that payback in the first year if it  
2524 is possible, but it may not be in the first year. That is  
2525 why the benefit of having what Congress passed on these  
2526 efficiency rebates gives people the ability to reduce their  
2527 costs immediately and buy a more efficient appliance that  
2528 allows them to save money over the course of time.

2529         And these efficiency rules have saved standards, the  
2530 standards have saved consumers more than two trillion dollars  
2531 by 2030, so it is a really important way of reducing costs  
2532 for people.

2533         \*Ms. Lesko. Thank you. And so I would love for it to  
2534 be a payback in one year, too, but I will settle for three  
2535 years. But yesterday you finalized a rule, DOE did, on gas-  
2536 fired storage water heaters, and the payback is 9.1 years.  
2537 That seems like an awful long time to get paid back for the  
2538 upfront costs.

2539         I want to move on to another question. In this, the  
2540 Biden administration has committed the United States to  
2541 achieving net-zero greenhouse gas emissions by 2050 and is  
2542 spending trillions of taxpayer dollars to try to achieve it.

2543         Secretary Granholm, do you believe the United States has

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2544 a credible path to meet its net-zero greenhouse gas emission  
2545 goals?

2546 \*Secretary Granholm. Yes.

2547 \*Ms. Lesko. And, Secretary Granholm, in 2022 the United  
2548 Nations released a report detailing the possibility of  
2549 reaching the Paris Climate Agreement's goal of achieving both  
2550 net-zero by 2050 and temperatures not rising over 1.5 degrees  
2551 Celsius. The report states, quote, "Current policies do not  
2552 trace a credible path from 2030 towards the achievement of  
2553 national net-zero targets.'" The UN report also states,  
2554 quote, "Existing policies point to a 2.8 degrees Celsius  
2555 increase in temperatures by the end of the century.'" And a  
2556 2023 Congressional Research Service report states, quote,  
2557 "None of the modeled scenarios indicate that the United  
2558 States could meet its 2030 greenhouse gas emissions  
2559 targets.'" In fact, no signatory of the Paris Climate  
2560 Agreement is anywhere near a pathway to achieve their net-  
2561 zero pledges.

2562 However, it appears that John Kerry and the Biden  
2563 administration continue to say these goals are achievable.

2564 Why is it that the UN report and the Congressional

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2565 Research Service report say one thing, and the Biden  
2566 administration and yourselves say another?

2567 \*Secretary Granholm. I missed the date on the UN  
2568 report.

2569 \*Ms. Lesko. It was 2022.

2570 \*Secretary Granholm. Yeah, first of all, the passage of  
2571 the Inflation Reduction Act and the Bipartisan Infrastructure  
2572 Law have given enormous wind in our sails to be able to meet  
2573 these goals. So our modeling shows that we will have a 40  
2574 percent reduction in greenhouse gas emissions by 2030.

2575 That is from those two bills alone. That does not  
2576 account for what the private sector is doing, what other  
2577 state and local governments are doing. We think we can get  
2578 to 50 percent, which is the goal by 2030.

2579 We also think, and are very bullish about the next 30  
2580 years being able to -- next 20 years being able to look at  
2581 the technology advances that we are seeing. We do think that  
2582 there is a credible path to be able to get to net zero by  
2583 2050, and we are working every day to achieve it.

2584 \*Ms. Lesko. Well, I hope you are right, but a lot of  
2585 the evidence doesn't show that. In other competing reports

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2586 say the opposite because we are spending trillions of  
2587 dollars, of taxpayer dollars, on this.

2588 Thank you, and I yield back.

2589 \*Mr. Duncan. The gentlelady yields back, and I will go  
2590 to Mr. Cardenas for five minutes.

2591 \*Mr. Cardenas. Thank you, Mr. Chairman Duncan, and also  
2592 Ranking Member DeGette, for holding this very important  
2593 budget hearing, and I would also like to thank Secretary  
2594 Granholm for your service that you have rendered, not only to  
2595 the American people, to the benefit of the entire world.

2596 When the United States finally decided to get back on  
2597 track with addressing climate change issues that we can  
2598 control here in the United States. One of the biggest ways  
2599 in which we have been able to do that, last Congress when the  
2600 Democrats were fully in charge, we passed two historic and  
2601 complementary laws, the Infrastructure Investment Act and the  
2602 Jobs Act and the Inflation Reduction Act.

2603 These are now being implemented, thank God, and it is  
2604 going to take time for us to see the full implementation, but  
2605 we are well on our way. These landmark laws authorized the  
2606 funding necessary for the U.S. to lead on addressing the

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2607 climate change crisis and catalyze a clean energy transition  
2608 that is truly going to benefit everyone, and I emphasize that  
2609 it is for the benefit of everyone.

2610 Because, for example, I grew up in a community where  
2611 environmental injustice was there for many generations, and  
2612 we are finally turning the corner there in our community and  
2613 these two landmark laws are going to help us to do so.

2614 It is very important for us to understand that to get to  
2615 net zero, eventually, these pillar laws are going to be the  
2616 main reason why we are able to do that. So I believe that we  
2617 are on a good track, and I think that the Department of  
2618 Energy is doing an amazing job in making sure that we are  
2619 increasing energy efficiency, decarbonizing electricity,  
2620 electrifying and uses switching to cleaner fuels.

2621 So can you discuss how the department is leveraging  
2622 these pathways through the IIJA and IRA in ways that ensures  
2623 that the benefits and costs of transition are equitably  
2624 distributed?

2625 \*Secretary Granholm. I am so glad you asked this  
2626 question because what you have done, what Congress has done,  
2627 is embed structural equity into these investments. So in



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2628 other words, just as an example, if a solar developer wants  
2629 to do a community solar project, they get the 30 percent tax  
2630 credit, but they get an extra 10 percent if they locate in a  
2631 disadvantaged community.

2632 They get another 10 percent on top of that if they pay  
2633 prevailing wage and if they use registered apprenticeships.  
2634 They get another 10 percent on top of that if they use  
2635 domestic content. Now you are talking about a 50-, 60-  
2636 percent tax credit to locate in a disadvantaged community.  
2637 That is working across the country. So that is on the tax  
2638 credit side.

2639 And on the grant side from the Bipartisan Infrastructure  
2640 Law, DOE is ensuring that every grant we do has a community  
2641 benefits agreement in it so that the community that is going  
2642 to be centered where this project is actually benefits and is  
2643 at the table in a meaningful way with the company. And so  
2644 all of the grants that we are doing ensure that.

2645 The study that has been done recently about whether  
2646 disadvantaged communities are benefiting shows that  
2647 disadvantaged communities are receiving twice the investment  
2648 relative to their population as the rest of the country. So

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2649 it is happening that investments are flowing toward  
2650 disadvantaged communities and that is good for all of us.

2651 \*Mr. Cardenas. Wow. I am very pleased to hear that  
2652 Congress actually did some -- it sounds like we did something  
2653 right.

2654 \*Secretary Granholm. It's working.

2655 \*Mr. Cardenas. And your methods of implementation are  
2656 actually following the law to the letter and also making sure  
2657 that the benefits and the inequities that we have had for  
2658 generations now are being corrected by this massive  
2659 implementation and investment. Thank you so much.

2660 Last May, when you testified before this Committee, I  
2661 was pleased to hear about how the Department of Energy was  
2662 advancing the Justice40 Initiative and ensuring communities  
2663 had a seat at the table.

2664 Can you provide an update on how you have seen  
2665 communities respond to the programs and incentives the  
2666 Department has stood up through the IIJA and the IRA?

2667 \*Secretary Granholm. Yeah, thank you for that. So as I  
2668 mentioned, we have these community benefits plans but a lot  
2669 of communities may not be organized in a way that allows them

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2670 to meaningfully participate and so we just launched a pilot  
2671 called Ready which allows for an intermediary to sort of  
2672 gather -- a trusted entity to gather community leaders and  
2673 community participants so that they are at the table  
2674 literally when negotiating these community benefits  
2675 agreements. It is a way to elevate and give power to folks  
2676 who might not ever have even been asked before.

2677           So we are trying to figure out ways like that to make it  
2678 happen but the community benefits agreements alone have  
2679 demonstrated enormous benefit for folks who are there whether  
2680 they are scholarships, guarantees of job hirings, training  
2681 through local community colleges and schools as a pipeline.

2682           All of these things are embedded in the community  
2683 benefits agreements and we are seeing them work.

2684           \*Mr. Cardenas. It is a national effort, but it sounds  
2685 like we are finally getting that unless the locals are buying  
2686 in, it is not going to work.

2687           \*Secretary Granholm. A hundred percent.

2688           \*Mr. Cardenas. It looks like they are buying in because  
2689 we are making sure that they are heard.

2690           \*Secretary Granholm. Right.

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2691           \*Mr. Cardenas. And that they are listened to. Thank  
2692 you very much. My time having been expired, I yield back.

2693           \*Mr. Duncan. The gentleman yields back. We would be  
2694 remiss if we didn't acknowledge that the nation's most recent  
2695 nuclear reactor came online --

2696           \*Secretary Granholm. Yes.

2697           \*Mr. Duncan. -- a hundred percent this week at Plant  
2698 Vogtle in the next congressman's district. I will recognize  
2699 Mr. Allen for five minutes.

2700           \*Secretary Granholm. Congratulations.

2701           \*Mr. Allen. Well, thank you very much. Yeah, we are  
2702 very excited about this and first in 30 years so it is  
2703 America needs to learn how to do big things again. And,  
2704 Chair Duncan, thank you for holding this hearing. And,  
2705 Secretary, thank you for being here today with us.

2706           Of course, we made tremendous progress in Georgia but  
2707 our country is facing an energy crisis. We are seeing  
2708 skyrocketing energy prices as this administration continues  
2709 this war on fossil fuel. I have been hearing from my  
2710 constituents in the district just how unsustainable energy  
2711 prices are for them and, of course, it affects everything in

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2712 their lives. Everything. It is just not filling up the gas  
2713 tank.

2714         There has been an aggressive push by this administration  
2715 to electrify every sector of our livelihoods without weighing  
2716 reliability or affordability. I believe we must unleash our  
2717 domestic energy capabilities for the safety of our nation and  
2718 well-being of those we serve.

2719         The United States leads the rest of the world in  
2720 reduction of our carbon footprint, and it is substantial and  
2721 it is all been done because of the transition to our clean  
2722 natural gas which burns 42 percent cleaner.

2723         As mentioned earlier, the restriction on LNG exports  
2724 recently announced is really a kick in the teeth to Europe  
2725 and is funding the Russian war machine. Europe would  
2726 substantially reduce their emissions by using our clean  
2727 natural gas or LNG and if we could get these pipelines built  
2728 through the coast of Louisiana, we would substantially damage  
2729 Russia's economy and Iran's capability of funding terrorism.

2730         This week, as mentioned, we are celebrating a milestone  
2731 with Plant Vogtle Unit 4 entering commercial operation  
2732 meaning we are doing our part in Georgia making Plant Vogtle

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2733 the largest nuclear power station in the country.

2734 In this Committee we have been working to advance  
2735 nuclear energy policy by passing the Atomic Energy  
2736 Advancement Act. In the Atomic Energy Advancement Act, a  
2737 version of which we expect will be with the President soon, I  
2738 have a provision that requires the Nuclear Regulatory  
2739 Commission to update performance metrics and milestone  
2740 schedules for its regulatory programs. Now the Department of  
2741 Energy also has spending programs that are important for  
2742 deployment of nuclear energy.

2743 Madam Secretary, do you have a program for updating your  
2744 own performance metrics and milestone schedules?

2745 \*Secretary Granholm. For all of our big projects, yes.

2746 \*Mr. Allen. Okay. Can you let us know what that  
2747 process is?

2748 \*Secretary Granholm. Sure. It is through our -- well,  
2749 for the big demonstration projects it is through our  
2750 Manufacturing and Energy Supply Chains Office as well as  
2751 through our Office of Clean Energy Demonstrations. There are  
2752 project developers and experts who are in those offices that  
2753 have measurements, have Gantt charts, have milestones that

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2754 they are working against.

2755           The same thing on our NNSA side we have a lot of very  
2756 large projects that are done by professionals who understand  
2757 the importance of project management.

2758           \*Mr. Allen. And so this is making -- I mean we are  
2759 making progress with this?

2760           \*Secretary Granholm. Yes, we are.

2761           \*Mr. Allen. Okay. Next I would like to note that  
2762 recently you used your authority to update the NEPA process  
2763 for transmission solar and storage projects providing  
2764 exclusions to speed up permitting decisions. You just said  
2765 there should be a two-year shot clock or categorical  
2766 exercises for transmission permitting and as far as the  
2767 nuclear demonstrations.

2768           Will DOE work to do the same for any nuclear fuels and  
2769 infrastructure projects under its jurisdiction?

2770           \*Secretary Granholm. We would certainly work with  
2771 Congress too because some of that might require you all to  
2772 act, but we believe that there needs to be significant work  
2773 done on permitting reform whether it is for nuclear or any  
2774 other project in the country to be able to speed that up.

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2775           \*Mr. Allen. Now let's talk about building codes. The  
2776 Republicans on this Committee, Chair Rodgers and Subcommittee  
2777 Chair Duncan recently sent you a letter with concerns  
2778 regarding DOE's recent funding announcements to encourage the  
2779 adoption of expensive building codes. I have got about 8, 17  
2780 seconds. Could you respond to that?

2781           \*Secretary Granholm. We did.

2782           \*Mr. Allen. And do you realize what that is going to  
2783 do?

2784           \*Secretary Granholm. Well, it is not a mandate just to  
2785 be clear. It is just for those who raise their hand who want  
2786 technical assistance to be able to adopt next-generation  
2787 building codes. It is not a requirement.

2788           \*Mr. Allen. Okay. I have another question, but I will  
2789 submit it in writing. Thank you, Secretary, for your time.

2790           \*Secretary Granholm. Thank you.

2791           \*Mr. Duncan. Thank the gentleman, and he yields back.  
2792 I will now go to Ms. Kuster for five minutes.

2793           \*Ms. Kuster. Great. Thank you very much. Secretary  
2794 Granholm, I want to say I very much appreciate your calm  
2795 demeanor and very thorough answers to our Committee.



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2796 I am going to switch gears here a bit. Hydropower and  
2797 pump storage are a critical part of our clean energy system.  
2798 These resources will help incorporate more wind and solar  
2799 onto the grid. A recent DOE study found hydropower can  
2800 provide up to a 10 percent of the operating reserves  
2801 necessary for the Biden administration to achieve our climate  
2802 goals.

2803 Do you agree that hydropower is a key part of our clean  
2804 energy system?

2805 \*Secretary Granholm. Absolutely.

2806 \*Ms. Kuster. Great. Well, this will go quickly then.

2807 While hydropower plants play a critical role in our  
2808 energy system, the future may be in doubt. One-third of  
2809 hydropower asset owners are actively considering surrendering  
2810 their licenses and decommissioning their facilities. This  
2811 puts 17 gigawatts of clean, flexible energy, enough to power  
2812 over 13 million U.S. homes and businesses, at risk.

2813 One of the main factors leading hydropower asset owners  
2814 to consider surrendering their license is the lengthy and  
2815 uncertain relicensing process.

2816 Secretary Granholm, should Congress work to ensure that

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2817 the relicensing process is not driving reliable, dispatchable  
2818 clean, energy projects offline?

2819 \*Secretary Granholm. Yes.

2820 \*Ms. Kuster. Great. I agree. I am pleased that there  
2821 are bipartisan bills in the House and Senate to meaningfully  
2822 reform the licensing and relicensing process, and I would  
2823 like to talk to you about the common features of those pieces  
2824 of legislation.

2825 Recognizing that the FERC, Federal Energy Regulatory  
2826 Commission, has jurisdiction over hydropower licensing, and  
2827 is an independent agency within DOE, I want to ask you some  
2828 high-level questions about how we can improve hydropower  
2829 licensing process.

2830 First question, do you think it is prudent for Congress  
2831 to empower FERC to work with agencies and stakeholders in the  
2832 relicensing process to resolve inconsistent or conflicting  
2833 license terms?

2834 \*Secretary Granholm. Yes.

2835 \*Ms. Kuster. Thank you. Second question, FERC recently  
2836 denied an application for a preliminary permit for a new pump  
2837 storage facility that had not adequately consulted with the

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2838 tribe on whose reservation the project would be cited.

2839 Should Congress do more to ensure tribal consent  
2840 throughout the licensing process?

2841 \*Secretary Granholm. If possible, yes.

2842 \*Ms. Kuster. Great.

2843 \*Secretary Granholm. If possible on Congress' side, but  
2844 we definitely consult with tribes.

2845 \*Ms. Kuster. Yes. My final question, in New England  
2846 there are many small 100-plus-year-old hydropower facilities  
2847 that may have outlived their useful life. It may be more  
2848 economic for these asset owners to surrender the license than  
2849 operate the facility that may be a hazard to the community  
2850 and not making any money.

2851 Should we consider ways to make it easier for obsolete  
2852 facilities to make end-of-life decisions?

2853 \*Secretary Granholm. Yes.

2854 \*Ms. Kuster. Great. It is clear there are many areas  
2855 of congressional and administration agreement, and I look  
2856 forward to working with the DOE and my colleagues here in  
2857 this Committee to get a bipartisan hydropower licensing  
2858 reform bill signed into law, and I want to commend our Chair,

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2859 Cathy McMorris Rodgers, for working with my team on that.

2860 Switching gears, thanks to the tax credits and grants  
2861 from the Inflation Reduction Act, the very last coal-fired  
2862 power plant in New England, which is in my district in Bow,  
2863 New Hampshire, is going to transition into a solar plant and  
2864 battery storage facility. I cannot tell you how relieved my  
2865 constituency will be for the clean air and the savings to our  
2866 planet and the impact on climate change from that decision.

2867 Secretary Granholm, can we count on the DOE to give fair  
2868 consideration to this facility's applications for IRA grants  
2869 to help facilitate this transformation?

2870 \*Secretary Granholm. Yeah, this kind of transformation  
2871 is exactly what you have provided for, you all in Congress,  
2872 in making sure that energy communities get the benefit of  
2873 still powering our nation for the next 100 years as well  
2874 through providing jobs in next-generation technology, so  
2875 congratulations on that, and we want to see more of that.

2876 \*Ms. Kuster. We are very excited about the news. Thank  
2877 you again for your leadership, for working with this  
2878 Committee in a bipartisan way. You will find we have many,  
2879 many areas of agreement with regard to clean energy and

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2880 saving the planet, and we look forward to working with you.

2881 Thank you so much.

2882 \*Secretary Granholm. Thank you so much.

2883 \*Ms. Kuster. With that, I yield back.

2884 \*Mr. Duncan. The gentlelady yields back, and I will now  
2885 go to Mr. Weber for five minutes.

2886 \*Mr. Weber. Thank you, Mr. Chairman.

2887 Madam Secretary, we are glad you are here. You know I  
2888 represent Texas 14, which is the upper Gulf Coast of Texas.  
2889 Do you know how many LNG plants we have in Texas 14?

2890 \*Secretary Granholm. How many?

2891 \*Mr. Weber. We have two that are currently operating.  
2892 We have another one that has gone through phase I and is  
2893 poised for phase II, but the skids were kind of put on, and  
2894 it makes our investors really nervous. We also have one  
2895 across the Louisiana state line, that other foreign country,  
2896 Cheniere Energy, which is about, I don't know, seven or eight  
2897 miles from us.

2898 Energy and LNG for us is a big thing, so as the cabinet-  
2899 level Secretary of Energy responsible for coordinating the  
2900 nation's energy policy, of course, you took it on yourself to

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2901 be providing the President with some good energy policy, and  
2902 that is your responsibility.

2903 Can you describe for us exactly what is John Podesta's  
2904 role in the administration?

2905 \*Secretary Granholm. Well, I would like to let him  
2906 describe the role, but as you know, he is responsible for  
2907 energy technology and climate.

2908 \*Mr. Weber. Do you all interface?

2909 \*Secretary Granholm. Yes.

2910 \*Mr. Weber. How often?

2911 \*Secretary Granholm. Frequently.

2912 \*Mr. Weber. Do you have discussions about LNG?

2913 \*Secretary Granholm. Yeah.

2914 \*Mr. Weber. What does he say about it?

2915 \*Secretary Granholm. Well, he supports the notion of  
2916 doing an update so that we can make sure that we can assess  
2917 what is in the public interest.

2918 \*Mr. Weber. But you all would both agree, probably,  
2919 that the uncertainty that that creates in a phase II  
2920 construction project, because we don't have time, a date  
2921 certain, is a problem, right?

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2922           \*Secretary Granholm. Well, as we have said, both to  
2923 industry as well as to our international partners, that this  
2924 is an update that is only for the purpose of a study, and it  
2925 will be done by the end of this year, the beginning of next  
2926 year, so it is limited in time and scope and does not affect  
2927 any of the existing authorizations.

2928           \*Mr. Weber. Well, it does because they have to make  
2929 plans, and I won't pry and ask you if you have ever owned or  
2930 operated a business, but I have for 35 years. One of the  
2931 things business owners want is certainty. They don't want  
2932 things changing on a whim. They need certainty, especially  
2933 to plan something that far out, that big of a project.

2934           I have been told that, actually, I think Mr. Podesta  
2935 might have a brother who actually works in some fashion for  
2936 some foreign energy interest. Are you aware of that?

2937           \*Secretary Granholm. No.

2938           \*Mr. Weber. You are not aware of that? Okay. You all  
2939 canceled your plans to refill the Strategic Petroleum  
2940 Reserve, as I mentioned. No?

2941           \*Secretary Granholm. Oh, I see what you are saying. We  
2942 still plan to fill --

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2943           \*Mr. Weber. Right.

2944           \*Secretary Granholm. -- the Strategic Petroleum  
2945 Reserve. That one solicitation was over the amount that we  
2946 wanted to purchase it at.

2947           \*Mr. Weber. Would it surprise you to find out that we  
2948 have 60 percent of SPR in my district on the Gulf Coast?

2949           \*Secretary Granholm. No. It wouldn't surprise me.

2950           \*Mr. Weber. Lots of energy, so what the President does,  
2951 what the White House does, and what Congress does, quite  
2952 frankly, is extremely important to our district.

2953           What are your plans going forward to refill the SPR? I  
2954 might have missed out on some of the discussion.

2955           \*Secretary Granholm. Yeah, yeah. No worries. Our plan  
2956 is to continue to seek solicitations. Our hope was to be  
2957 able to get the purchases at under \$79 per barrel. We sold  
2958 it at about, on average, 94 or 95, and we wanted to achieve a  
2959 savings for the taxpayers.

2960           So we have repurchased 32 million barrels up to this  
2961 point, and as you are well aware, the SPR has a couple of  
2962 sites that are under maintenance right now, can't take in, so  
2963 hopefully, by the end of this year, everything will be up and



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2964 running.

2965 \*Mr. Weber. What is the volume right now, do you know?

2966 \*Secretary Granholm. 360, I want to say 360-something.

2967 \*Mr. Weber. Okay. When you are talking about --

2968 \*Secretary Granholm. Million, 360 million, just to be  
2969 clear.

2970 \*Mr. Weber. Oh, I got it. We always say in Texas  
2971 things are bigger.

2972 \*Secretary Granholm. Yes.

2973 \*Mr. Weber. We get that. But the things on the  
2974 geopolitical stage around the world, do you all consult with  
2975 the State Department when you are making these kinds of  
2976 decisions that could actually impact our ability to respond  
2977 to a strategic event, Strategic Petroleum Reserve?

2978 \*Secretary Granholm. Yes, of course, and we have the  
2979 largest Strategic Petroleum Reserve, even now --

2980 \*Mr. Weber. Capacity- --

2981 \*Secretary Granholm. -- in the world.

2982 \*Mr. Weber. -- wise, but we need --

2983 \*Secretary Granholm. Well, no, but even the amount of  
2984 barrels that we have, from a government-owned Strategic

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2985 Petroleum Reserve, we have the largest in the world.

2986 \*Mr. Weber. But were we to have to fight a war or a  
2987 conflict on more than one side, I think you would agree with  
2988 me that amount would be woefully unready for us to actually  
2989 be in a good spot. We'd rather have a full SPR to totally be  
2990 able to supply our military. Wouldn't that be a better  
2991 scenario?

2992 \*Secretary Granholm. Well, sizing the SPR and what the  
2993 strategic amount needs to be, do we have to have the full  
2994 amount of the current SPR? That is a good question. It is a  
2995 good question. However, we want to continue to fill it, and  
2996 we will, and we are really proud of the fact that we have  
2997 been able to do so at a savings --

2998 \*Mr. Weber. My time is just about out. I am going to  
2999 leave you with one question.

3000 \*Secretary Granholm. Yes.

3001 \*Mr. Weber. Is it better to have more of the SPR field  
3002 or less?

3003 \*Secretary Granholm. More.

3004 \*Mr. Weber. Thank you. I am glad you understand that.

3005 \*Secretary Granholm. Okay.

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3006           \*Mr. Weber. I hope you work on it. I yield back.

3007           \*Mr. Duncan. The gentleman's time has expired. I will  
3008 now go to Mr. Veasey for five minutes.

3009           \*Mr. Veasey. Thank you, Mr. Chairman. Texas relays are  
3010 this weekend, and so I happily take the baton from my good  
3011 friend Mr. Weber to talk about the Bipartisan Infrastructure  
3012 Law and Inflation Reduction Act and how this benefited Texas  
3013           BP Solutions received \$31 million from DOE and Lone Star  
3014 Storage Hub. Heidelberg Materials received \$5 million from  
3015 the Office of Clean Energy Demonstrations. The Texas  
3016 Division of Emergency Management received \$60 million in GRIP  
3017 funding for a Grid Deployment Office. That is great news for  
3018 Texas, as all around the country, people are saying they are  
3019 concerned about the economy, and they are concerned about  
3020 money. So I wanted to talk about how that money is coming  
3021 back to Texas. I think that is awesome.

3022           Last weekend, we thwarted Vladimir Putin's plans, and we  
3023 helped provide funding for Ukraine, and in addition to  
3024 thwarting his plans, we were already thwarting his plans  
3025 before that. I want to tell you how President Biden was  
3026 thwarting Vladimir Putin's plans.

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3027           In 2023, the United States produced a record of 38  
3028 trillion cubic feet of gas and a record 4.7 billion barrels  
3029 of crude oil, and that created a record 238 million megawatts  
3030 of solar power and a record 6.4 gigawatts of new batteries  
3031 that were installed on the grid, but those numbers that I  
3032 talked about with the gas, and I talked about with the oil,  
3033 that thwarted Vladimir Putin's plans, and so I congratulate  
3034 the President on that. We need to keep Europe free, secure,  
3035 and democratic.

3036           Madam Secretary, you know that LNG is a big deal for  
3037 Texas, and a lot of people, including myself, were concerned  
3038 about the LNG pause. I was hoping that you could talk a  
3039 little bit about or explain to what extent the national labs  
3040 are factoring the investment that has gone into their study,  
3041 and what I am referencing is the fact that the IRA provided  
3042 about 1.5 billion for grants, rebates, contracts, and loans  
3043 to support emission monitoring and methane reduction efforts  
3044 here in the U.S.

3045           Could you talk about that a little bit?

3046           \*Secretary Granholm. Yeah, and Congresswoman Dingell, I  
3047 think your spot's right there if you want to -- oh, you

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3048 didn't know. Okay. Sorry.

3049 I think the MMRV, the methane mitigation verification  
3050 and reporting, is a really important part of the strategy for  
3051 us as a nation to have LNG or NG that is well received by  
3052 those who receive our exports, and so that is an important  
3053 thing. I think the natural gas industry recognizes that as  
3054 well, the LNG terminals, et cetera. Everybody is focused on  
3055 making sure that we are buttoning down our methane leakage.

3056 I am not sure if that is exactly what you were asking,  
3057 but we are investing in that from our Office of Fossil Energy  
3058 and Carbon Management.

3059 \*Mr. Veasey. Oh, good, good. I also wanted to ask you  
3060 and switch gears a little bit to nuclear fuel, and  
3061 specifically, the Idaho National Labs nuclear fabrication and  
3062 deal they have there. Through the NDA last year and the  
3063 Appropriations Bill, Congress authorized and funded the  
3064 Nuclear Fuel Security Act to carry out processing and  
3065 provision fuel that will provide American independence from  
3066 Russia in the production of nuclear energy.

3067 The molten salt reactor in Texas is a test bed for a new  
3068 nuclear reactor design and molten salt that could be used to

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3069 help safely address critical energy needs when it comes to  
3070 water, medical isotopes, and other important areas.

3071 Can you provide an update on DOE's implementation of the  
3072 Nuclear Fuel Security Act, and more specifically, can you  
3073 provide assurances that the DOE will prioritize the Idaho  
3074 National Labs fabrication of a fuel that blends this molten  
3075 salt that is currently being stored at the Oak Ridge National  
3076 Lab?

3077 \*Secretary Granholm. Yeah, we are excited about what  
3078 Idaho is doing. We are excited about the partnership with  
3079 Abilene Christian University and their efforts on this, and  
3080 about how this whole effort might fit into our overall  
3081 uranium strategy that was passed by Congress in the 2024  
3082 budget.

3083 So that will be part of the fuel cycle considerations  
3084 that we have through our Office of Nuclear Energy. Excited  
3085 to be able to continue to work with them on that.

3086 \*Mr. Veasey. Thank you very much. I yield back. Thank  
3087 you.

3088 \*Mr. Duncan. The gentleman yields back. I will go to  
3089 Mr. Balderson for five minutes.

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3090           \*Mr. Balderson. Thank you, Mr. Chairman. Thank you,  
3091 Secretary, for being here today.

3092           Last year, you and Administrator Regan agreed to a  
3093 memorandum of understanding on electrical grid reliability.  
3094 What is the status of that MOU?

3095           \*Secretary Granholm. We entered into it, and as you  
3096 saw, the EPA issued its rules regarding 111 and the vehicle  
3097 rules as well.

3098           \*Mr. Balderson. So you have held meetings both public  
3099 and private?

3100           \*Secretary Granholm. Yes.

3101           \*Mr. Balderson. Okay. Would you be willing to --

3102           \*Secretary Granholm. Our teams have.

3103           \*Mr. Balderson. Pardon me?

3104           \*Secretary Granholm. Our teams have.

3105           \*Mr. Balderson. Okay. Would you be willing to follow  
3106 up with the details of those meetings with the EPA?

3107           \*Secretary Granholm. Sure.

3108           \*Mr. Balderson. Including any transcripts to the  
3109 Committee, please?

3110           \*Secretary Granholm. I don't know that there were

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3111 transcripts because they are just meetings, but happy to  
3112 follow up.

3113           \*Mr. Balderson. Okay. Thank you. I appreciate that  
3114 very much.

3115           I do want to follow up with a point you raised earlier  
3116 this morning and during your budget hearing with the Senate  
3117 Committee on Energy and Natural Resources a few weeks ago.

3118           You have expressed concerns about the impact increasing  
3119 LNG exports may have on domestic natural gas prices. That  
3120 concern is one of the reasons your department went forward  
3121 with the pause on approving new LNG exports. Is that  
3122 correct?

3123           \*Secretary Granholm. It is one of the issues that are  
3124 being researched by the National Labs as we consider what is  
3125 in the public interest.

3126           \*Mr. Balderson. Okay. Thank you. I would like to  
3127 follow up on the concern. Since 2016, we have increased our  
3128 LNG export capacity from zero to over 11 billion cubic feet  
3129 per day. We are now the world's top LNG exporter and guess  
3130 what? The spot price of natural gas has remained stable and  
3131 affordable.



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3132           In fact, the current Henry Hub spot price is well below  
3133 two dollars and is lower now than at any point between 2000  
3134 to when we began exporting in 2016, despite record inflation.

3135           Under President Biden, gasoline prices have gone up 48  
3136 percent. Home heating is up 33 percent. Electricity is up  
3137 29 percent. And total energy costs are up 39 percent.

3138           So if this administration was actually interested in  
3139 ensuring affordable energy for our constituents, you wouldn't  
3140 block leasing on federal lands, raise fees on natural gas  
3141 producers, or force existing reliable generation into early  
3142 retirement.

3143           Madam Secretary, you touched earlier on the fact that  
3144 the EPA's Clean Power Plan 2.0 doesn't include existing  
3145 natural gas fire plants. However, the EPA has also begun the  
3146 process of a separate rulemaking to target emissions from  
3147 existing natural gas fired power plants.

3148           Given the objectives of the MOU, have you discussed this  
3149 potential rulemaking with Administrator Regan?

3150           \*Secretary Granholm. I have not yet.

3151           \*Mr. Balderson. As that rule is developed, will you  
3152 commit to working with grid operators and power plant

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3153 operators as to the real-world effects of forcing existing  
3154 natural gas fire plants to retire and urging the EPA to do  
3155 the same?

3156 \*Secretary Granholm. I will definitely do that.

3157 \*Mr. Balderson. Thank you. As we have discussed, FERC,  
3158 NERC, and grid operators have repeatedly expressed warnings  
3159 and concerns about grid reliability and resource adequacy  
3160 over the last year and a half.

3161 Unfortunately, last Thursday, the EPA decided to move  
3162 forward with their emission rules for existing coal and new  
3163 natural gas fire plants.

3164 At any point, did the Department of Energy express  
3165 concerns to the EPA regarding the rules' impact on  
3166 reliability and forcing existing reliable generation into  
3167 early retirement?

3168 \*Secretary Granholm. We have worked with the EPA, and  
3169 it is our opinion that it will not do that.

3170 \*Mr. Balderson. Okay. The recently announced final  
3171 rule for distribution transformers, and somewhat scaled back  
3172 from the original proposed rule, the final rule extends the  
3173 compliance timelines and adjust efficiency targets to require

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3174 less enforced steel.

3175 We are already facing a supply chain shortage and  
3176 utilities are having difficulty producing transformers. I  
3177 still believe the final rule will add to this existing supply  
3178 chain crisis.

3179 Can you explain how DOE plans to address the supply  
3180 chain challenges moving forward?

3181 \*Secretary Granholm. Yeah, number one, the distribution  
3182 rule I think alleviates that concern, and it extends another  
3183 five years as well as make sure that there is ample supply of  
3184 grain-oriented electrical steel for those transformers made  
3185 in the United States.

3186 There are issues still, and we were just discussing  
3187 this. Because of the clear demand, there has been an  
3188 additional three transformer manufacturers that have  
3189 announced that they are expanding, and we just gave a grant  
3190 to one of them for large power transformers which is Siemens.

3191 We are encouraged by the private sector stepping up to  
3192 the demand challenges, and we have also hoped that we can see  
3193 some funding through the Defense Production Act to  
3194 continually reinforce that we need additional transformer

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3195 manufacturing in the U.S.

3196 \*Mr. Balderson. Okay. Do you believe American LNG has  
3197 the potential to reduce the CO2 footprint in developing  
3198 nations?

3199 \*Secretary Granholm. Potentially, and I think that is  
3200 one of the issues that is going to be studied by the labs in  
3201 the update.

3202 \*Mr. Balderson. Thank you very much. Mr. Chairman, I  
3203 yield back.

3204 \*Mr. Duncan. The gentleman's time has expired. I will  
3205 now recognize Mr. Palmer for five minutes.

3206 \*Mr. Palmer. Thank you, Mr. Chairman. I thought we had  
3207 another Democrat ahead of me. I appreciate the opportunity.

3208 Secretary Granholm, thank you for being here. Earlier,  
3209 you said that the power sector rules do not touch existing  
3210 natural gas units, but the administration announced that it  
3211 will be in a rulemaking to set standards for existing gas  
3212 units. Is it coming next? And it is coming next, and I  
3213 think fairly soon.

3214 Do you support the administration rescinding its  
3215 rulemaking on existing natural gas units?

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3216           \*Secretary Granholm. I support looking at that, yes.

3217           \*Mr. Palmer. That is going to further increase energy  
3218 costs that is battering families. I have heard you and a  
3219 number of my colleagues across the aisle talk about the  
3220 Inflation Reduction Act, which was either intentionally  
3221 misnamed or a complete total and failure because inflation is  
3222 cumulatively since 2021, January 2021, is 19 percent. That  
3223 is 40 percent on energy costs.

3224           Are you aware of, just for instance, what percent of the  
3225 increase in food is related to energy cost?

3226           \*Secretary Granholm. The percent of the percent?

3227           \*Mr. Palmer. Well, let me --

3228           \*Secretary Granholm. I am sure there is a component of  
3229 --

3230           \*Mr. Palmer. I know math is tough --

3231           \*Secretary Granholm. -- food prices.

3232           \*Mr. Palmer. -- for some of you, but it is 60 percent  
3233 of the increase in food costs is related to the increase in  
3234 energy costs, making groceries unaffordable for many  
3235 families.

3236           Are you aware too, of how much it has -- how it has

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3237 impacted people's household utility costs?

3238           \*Secretary Granholm. Yeah, I am aware that the prices  
3239 for electricity and energy on a monthly basis have gone up.  
3240 They are now about \$150 a month on average and the question  
3241 is why? Why is this happening?

3242           As we were discussing before, that the why is in large  
3243 measure because the utilities are socializing the cost of  
3244 upgrading the grid and rate basing --

3245           \*Mr. Palmer. Well, it is because --

3246           \*Secretary Granholm. -- those improvements.

3247           \*Mr. Palmer. -- the energy policy is being imposed upon  
3248 energy producers. The regulatory burden, the amount of  
3249 uncertainty that Mr. Weber brought about increases the cost  
3250 of capital and that all gets passed on to the consumers.

3251           Businesses don't pay regulatory costs. They pass it on  
3252 to the consumer which it is really hurting families in my  
3253 district. I visited the Central Alabama Food Bank and was  
3254 surprised to find out 35 percent of the people who are having  
3255 to rely on them for free groceries are senior citizens who  
3256 can't afford their household utility bills and their  
3257 medicine.

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3258           Are you aware of how much of pharmaceuticals feedstock  
3259 is related to petroleum? How much of that for making  
3260 pharmaceuticals? I will answer it for it. It is 99 percent.  
3261 All of this cost gets added and passed on to the consumer.

3262           I have another question, though. This is also a  
3263 national security issue. The House, with I think the  
3264 unanimous Democratic support, I might be wrong. There might  
3265 have been a couple of Democrats that voted against the  
3266 funding for Ukraine, providing support for Ukraine and that  
3267 is critical, the defense of Ukraine.

3268           But this administration has put a pause on exporting  
3269 LNG, forcing Europe to buy more natural gas from Russia.  
3270 From the data that I have here, France just paid Russia 600  
3271 million Euros. The EU is spending about a billion dollars  
3272 each month on Russian gas.

3273           So how does it make sense for the U.S. taxpayers to  
3274 provide for the defense of Ukraine, which I think is  
3275 important, but yet the administration wants to limit the  
3276 amount of gas that we can export to Europe, and allows Russia  
3277 to continue to sell them gas to use that money to fund their  
3278 war machine against Ukraine?

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3279 That just seems to be an opposition. How do you --

3280 \*Secretary Granholm. Let me just clarify.

3281 \*Mr. Palmer. How do you justify that?

3282 \*Secretary Granholm. Let me just clarify a couple of  
3283 points that you made. Number one, there is no restriction on  
3284 exports for any --

3285 \*Mr. Palmer. That is not what I said. A pause on --

3286 \*Secretary Granholm. It has been --

3287 \*Mr. Palmer. -- additional exports.

3288 \*Secretary Granholm. The pause is for authorizations  
3289 for the future, but the existing terminals --

3290 \*Mr. Palmer. But you don't understand the future is --

3291 \*Secretary Granholm. -- are all exporting. We are the  
3292 largest exporter. None of the exports --

3293 \*Mr. Palmer. I am not --

3294 \*Secretary Granholm. -- of LNG to Europe have  
3295 diminished. There are another.

3296 \*Mr. Palmer. That is not the point. You are  
3297 misrepresenting what I am saying. I just made the point that  
3298 you create uncertainty in the marketplace, and Europe cannot  
3299 rely on the United States to increase exports of natural gas,



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3300 LNG, so they are having to buy it from Russia or Russia is --

3301 \*Secretary Granholm. They are not because of our  
3302 actions, sir. With respect, not because of our action.

3303 Nobody is stopping the existing authorizations for --

3304 \*Mr. Palmer. You just misrepresented what I said.

3305 \*Secretary Granholm. Well --

3306 \*Mr. Palmer. I said you put a pause on additional  
3307 exports.

3308 \*Secretary Granholm. But the point is that there have  
3309 been -- we export right now, we have the capacity of  
3310 exporting 14 billion cubic feet.

3311 \*Mr. Palmer. You are amazing.

3312 \*Secretary Granholm. We have authorized 48 billion  
3313 cubic feet. All of that is going forward, so to suggest that  
3314 our actions are somehow causing Europe to purchase from  
3315 Russia is inaccurate, with respect.

3316 \*Mr. Palmer. That is an inaccurate response to a very  
3317 clear question.

3318 Mr. Chairman, I yield back.

3319 \*Mr. Duncan. The gentleman yields back, and I will go  
3320 to Mr. Pence for five minutes.

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3321           \*Mr. Pence. Thank you, Mr. Chairman and Ranking Member  
3322 DeGette, for holding this. And thank you, Madam Secretary,  
3323 for being here.

3324           Back home, I am in the Indiana 6th District. I spent my  
3325 entire life in the petroleum distribution business, and I  
3326 like to say I got the energy where it needed, when it needed  
3327 to be there affordably, in the quantities, and at the right  
3328 time.

3329           I have held roundtables in Indiana every two or three  
3330 months. It includes the State of Indiana, utilities,  
3331 research in universities like Purdue and Vincennes, parking  
3332 and mobility experts, charging station developers. They have  
3333 all joined together, and they have shared with me what is  
3334 happening on the ground. That is the most important thing.

3335           Of course, like all my peers, I have met with folks out  
3336 here that tell me what is going on.

3337           Let me ask you a question I always ask others. It is a  
3338 goofy question, but do you know how many cars they sell in  
3339 Europe every year?

3340           \*Secretary Granholm. In Europe? No. I do not.

3341           \*Mr. Pence. About 8 million. Do you know how many cars

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3342 they sell in the United States every year?

3343 \*Secretary Granholm. Well, we have got over 300 million  
3344 on the road, so I know that.

3345 \*Mr. Pence. So about 16 million. These are round  
3346 numbers. How many cars do they sell in China, where we know  
3347 they want EVs?

3348 \*Secretary Granholm. A lot more.

3349 \*Mr. Pence. Twenty-eight million. So sometimes I worry  
3350 a little bit that what we are doing is we are rolling out  
3351 supporting the automobile industry so that they can sell more  
3352 cars in China. And I would laud Toyota that has looked at  
3353 hybrids.

3354 Let me ask you this. Why haven't we looked more at  
3355 hybrids instead of saying, let's go to EVs so fast?

3356 \*Secretary Granholm. We are in favor of hybrid  
3357 electric.

3358 \*Mr. Pence. You are in favor of it.

3359 \*Secretary Granholm. Yeah.

3360 \*Mr. Pence. Okay. Did you mandate hybrids by 2030 --

3361 \*Secretary Granholm. Nobody is mandating anything.  
3362 Just to be clear, there are no mandates.

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3363           \*Mr. Pence. Okay.

3364           \*Secretary Granholm. But hybrid electric vehicles are  
3365 absolutely qualified for tax credits.

3366           \*Mr. Pence. So I agree. Nobody is mandating anything,  
3367 but you are incentivizing the heck out of --

3368           \*Secretary Granholm. Incentivizing hybrids too.

3369           \*Mr. Pence. Sure. And in these round tables, the first  
3370 one I had about 18 months ago, and there is about 30 people  
3371 there, and we share what is happening out in the marketplace.  
3372 I said, you are all here because of the incentives, the  
3373 grants, and the dollars that the federal government are  
3374 putting out.

3375           Now tell me how that is going, and it is one horror  
3376 story after another.

3377           Are you aware of the problems with the charging  
3378 stations, with the processing systems in the charging  
3379 stations, with the inability to get the electricity to where  
3380 they want to put the charging stations, with the problems  
3381 they have in urban areas where EVs or charging stations are a  
3382 real problem in parking garages, in apartment complexes?

3383           \*Secretary Granholm. One hundred percent I am aware of

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3384 that.

3385 \*Mr. Pence. What is --

3386 \*Secretary Granholm. And that is the National Electric  
3387 Vehicle Infrastructure Initiative is all about, is to fix  
3388 those very problems.

3389 \*Mr. Pence. So to give money to solve a problem that --

3390 \*Secretary Granholm. Well, to create --

3391 \*Mr. Pence. -- you are -- that is being created by this  
3392 administration?

3393 \*Secretary Granholm. To fix the gaps in the  
3394 infrastructure associated with electric vehicles, yes. Our  
3395 goal is to get 500,000 charging stations out there across the  
3396 country. Today there are 188,000. There are still gaps. It  
3397 is difficult to get charging --

3398 \*Mr. Pence. And you are well aware of how many of those  
3399 are not operating, that aren't working when people --

3400 \*Secretary Granholm. Yes. Part of that whole  
3401 initiative is to do a rip and replace --

3402 \*Mr. Pence. Why doesn't -- here is what I am saying. I  
3403 am not here to argue with you today. I am for all of the  
3404 above like everybody else on this Committee is, but why can't

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3405 we be a little more cautious and take our time on rolling  
3406 this out, going after the carbon industry? I am a little  
3407 concerned about e-RINs.

3408 I talked with the EPA the last time he was here. I  
3409 think he'll be here in two weeks. I didn't know what e-RINs,  
3410 what is the motivation behind e-RINs.

3411 Why can't the administration just take a little bit of a  
3412 time out and reassess what is happening out in the field that  
3413 my constituents tell me about?

3414 \*Secretary Granholm. Yeah, we are assessing every  
3415 single day. And, in fact, there is a lot of push for us to  
3416 move much faster on the one hand and some who are saying to  
3417 be slower.

3418 \*Mr. Pence. They can't be by the people that are out  
3419 there implementing these things. The people I meet with,  
3420 they are putting in the charging stations, they are the  
3421 utility companies, they are the distribution companies.

3422 Whoever is telling you to move faster is not part of the  
3423 solution of getting where you want to go and where we would  
3424 all like to go.

3425 \*Secretary Granholm. Well, I know we talked to

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3426 different folks, but we are trying to solve for those very  
3427 problems that you are describing. It takes, on average, 18  
3428 months to pull electricity to an area for a charging station,  
3429 for a fast charger, where it doesn't already exist. The  
3430 states, the state of Indiana, has the funding to be able to  
3431 do this, and they are doing it in their own way.

3432 \*Mr. Pence. There is a shortage on transformers and  
3433 things like that.

3434 \*Secretary Granholm. Right. Right. We are working on  
3435 --

3436 \*Mr. Pence. My time --

3437 \*Secretary Granholm. -- all of those things,  
3438 everywhere, all at once.

3439 \*Mr. Pence. Okay. Thank you for your time. Mr.  
3440 Chairman, I yield back.

3441 \*Mr. Duncan. The gentleman's time has expired. I will  
3442 now go to the next Governor of North Dakota, Kelly Armstrong,  
3443 for five minutes.

3444 \*Mr. Armstrong. Thank you, Mr. Chair.

3445 Earlier, you and my friend, Ms. DeGette, had a  
3446 conversation, and we are talking about capture the methane,

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3447 and you said it is wasteful. Nobody wants methane in the  
3448 air. The producers don't want it. Anybody doesn't want it.

3449 But I am assuming the DOE has a financial incentive to  
3450 capture that as well, right?

3451 \*Secretary Granholm. When you say we have a financial  
3452 incentive, meaning we put out grants for those who can  
3453 capture?

3454 \*Mr. Armstrong. Well, I mean well, I will back up. Do  
3455 you know what the federal lease rate is? Royalty rate on a  
3456 federal lease?

3457 \*Secretary Granholm. No. I don't.

3458 \*Mr. Armstrong. Okay. It is either three-sixteenths or  
3459 16.67, and so this is one of the arguments that frustrates me  
3460 in this. Because you know what associated gas is, right?

3461 \*Secretary Granholm. Of course.

3462 \*Mr. Armstrong. And it is gas that is produced within  
3463 oil and gas.

3464 \*Secretary Granholm. Right.

3465 \*Mr. Armstrong. So there is only two ways to fully  
3466 capture methane. That is either shut down oil production in  
3467 order to get 100 percent capture, or replace the



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3468 infrastructure with infrastructure, pipeline, all of those.

3469 It captures 100 percent of all of that, right?

3470 \*Secretary Granholm. Right.

3471 \*Mr. Armstrong. And so if we have an incentive and  
3472 everybody says it is wasteful to do it, today WTI is trading  
3473 at 79.91 a barrel of oil, which by the way, is amazing.  
3474 Russia has invaded the Ukraine. We have a hot war in the  
3475 Middle East, and at any other time in history, oil would be  
3476 over \$120 a barrel. A big reason for that is places like  
3477 North Dakota and the Permian and all of that.

3478 But at the same time, gas is trading at \$1.92 an MCF, so  
3479 the royalty rate applies to both of those. And so the  
3480 financial incentive part of this and economically recoverable  
3481 has always been a really frustrating argument to me. Because  
3482 the only way to recover that \$0.32 on a \$1.92 MCF of gas is  
3483 to lose \$3.32 on the barrel of oil.

3484 There is no other way to do it because regardless if you  
3485 are shutting in the oil production or you are shutting in the  
3486 oil production to replace the infrastructure, if you take  
3487 1,000 barrels of oil offline of an oil well, and let's just  
3488 say for simplicity's sake, you are taking 1,000 MCFs of gas

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3489 off at the same time, you are losing \$79,910 on oil and  
3490 \$1,920 on an MCF of gas.

3491 But the problem is you don't get that 1,000 barrels back  
3492 until the end of life of the oil well.

3493 \*Secretary Granholm. So this is why -- your point is  
3494 that it is not in anybody's financial interest to take care  
3495 of this.

3496 \*Mr. Armstrong. No. My point is if it is economically  
3497 recoverable at three-sixteenths, it is economically  
3498 recoverable at thirteen-sixteenths. One thing, regardless of  
3499 how we feel, and wherever we are at on climate, and we don't  
3500 want to release the methane, we don't want to do any of those  
3501 things as well. But we can all agree that oil companies are  
3502 pretty good at making money, and they look at these things in  
3503 an economic standpoint.

3504 But when you are in the geographic center of the United  
3505 States, and you are double-regulated from wellhead to market,  
3506 and part of the reason you can't capture the gas is because  
3507 you can't get the federal permit to get the gas in the  
3508 pipeline, and then their response is you have to shut in your  
3509 oil. And then we have far too many people saying, well, you

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3510 have an economic incentive to recover that methane.

3511           You don't. Because anybody who understands math,  
3512 particularly if you are dealing with this, who's going to  
3513 take the \$79,910 versus the \$1,920? So we talk about what  
3514 the requirements are in all of those things.

3515           But if it was economically recoverable to capture that  
3516 methane, then the federal government should help pay for the  
3517 infrastructure, or the NGOs should pay for the infrastructure  
3518 and ask for the profit.

3519           The reason they don't is because it is not. And so we  
3520 can talk about climate, we can talk all of that, it just  
3521 really frustrates me when we have these comments that say,  
3522 oh, it is economically recoverable, and we don't want to  
3523 waste it.

3524           Well, it is recoverable. It is a product that I don't  
3525 think anybody wants to waste, just outside of all the other  
3526 ideological part of this, but it is not economically  
3527 recoverable. Because we can't get the infrastructure in  
3528 there.

3529           \*Secretary Granholm. Well, perhaps this is something we  
3530 should be working on together to make sure that it is

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3531 economically feasible for them to do that. Some of the  
3532 programs that were passed in the Bipartisan Infrastructure  
3533 Law give us the ability to do grants for this purpose, but it  
3534 is not enough. And so maybe that is something we should work  
3535 on together.

3536       \*Mr. Armstrong. And we can continue to work on it. We  
3537 get as much pipeline infrastructure in the ground in North  
3538 Dakota as we possibly can. If we can work on getting some  
3539 BIA permits and some interior permits as quickly as possible,  
3540 we would have a lot less stranded gas in the Bakken, and we  
3541 could actually produce more oil and gas. Because the State  
3542 of North Dakota has actually done a pretty good job of  
3543 tamping down on that, recognizing that we have EPA primacy  
3544 and nobody wants to flare.

3545       I come from western North Dakota where oil and gas has  
3546 absolutely revolutionized every economy out there, and even  
3547 we don't like to see flares when we have them, but we have to  
3548 recognize where we are at and the difference on three-  
3549 sixteenths on \$1.92 versus three-sixteenths on \$70.91 is a  
3550 pretty significant difference for states like North Dakota,  
3551 the federal government, and private mineral owners.

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3552           And with that, I yield back.

3553           \*Mr. Duncan. The gentleman yields back. I will now go  
3554 to the gentleman from Texas, Mr. Pfluger, for five minutes.

3555           \*Mr. Pfluger. Thank you, Mr. Chairman. Secretary, is  
3556 there not a presumption, a long-standing presumption, through  
3557 many Department of Energy studies that LNG exports are in the  
3558 public interest?

3559           \*Secretary Granholm. There has been, yes.

3560           \*Mr. Pfluger. When was the last study completed?

3561           \*Secretary Granholm. In 2018.

3562           \*Mr. Pfluger. Okay. And what did it say?

3563           \*Secretary Granholm. It allowed for the conditions in  
3564 which it is a public interest. At that point, though --

3565           \*Mr. Pfluger. When you took over as secretary, did you  
3566 believe that 2018 study, that it was in the public interest?

3567           \*Secretary Granholm. I didn't have any reason to  
3568 dispute it. However, since 2018, we were exporting at that  
3569 point for BCF. Today, we have the capacity to do 14 with up  
3570 to 48 authorized, and so that is such a huge volume increase.

3571           \*Mr. Pfluger. An amazing increase, and it probably -- a  
3572 lot of it is in my district and other producing areas. By

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3573 the way, you are still invited out there. We are waiting on  
3574 you to visit.

3575 Do you agree that the Natural Gas Act authorizes you,  
3576 the Department of Energy, to both conduct environmental  
3577 studies and permit reviews simultaneously while conducting  
3578 another study?

3579 \*Secretary Granholm. It does authorize us to.

3580 \*Mr. Pfluger. Are you doing that?

3581 \*Secretary Granholm. No.

3582 \*Mr. Pfluger. Why?

3583 \*Secretary Granholm. We are putting a hold on, while  
3584 there is all this stuff in the queue, for the study, so that  
3585 we know when we authorize next what that will --

3586 \*Mr. Pfluger. So it kind of seems like --

3587 \*Secretary Granholm. -- look like in terms of the  
3588 public interest.

3589 \*Mr. Pfluger. -- more of a ban than a pause.

3590 \*Secretary Granholm. It is not a ban.

3591 \*Mr. Pfluger. But you would --

3592 \*Secretary Granholm. Sir, it is not a ban.

3593 \*Mr. Pfluger. Every administration previous to this

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3594 administration has done both simultaneously. Why are you  
3595 not?

3596 \*Secretary Granholm. No. That is not true.

3597 \*Mr. Pfluger. That is true.

3598 \*Secretary Granholm. I don't think that is true. I  
3599 think there is --

3600 \*Mr. Pfluger. Please provide us --

3601 \*Secretary Granholm. One that was and one that wasn't.

3602 \*Mr. Pfluger. Please provide us that even the Obama  
3603 administration did this.

3604 \*Secretary Granholm. Yeah.

3605 \*Mr. Pfluger. So let me just move on to the next  
3606 subject. I asked you last year if you were the principal  
3607 advisor to the President of the United States on energy  
3608 issues. You said you were one of the principal advisors.

3609 So who are the other principal advisors by name?

3610 \*Secretary Granholm. Well, Ali Zaidi represents the  
3611 Climate Office. The President's advisor on climate, John  
3612 Podesta.

3613 \*Mr. Pfluger. Okay. Did you make the recommendation on  
3614 or before January 26th to pause exports of LNG? Was it your

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3615 recommendation to the President and did that occur in the  
3616 White House?

3617 \*Secretary Granholm. That was my recommendation.

3618 \*Mr. Pfluger. Did anybody else join in that meeting?

3619 \*Secretary Granholm. We have a group that joins to  
3620 advise the President. Yes.

3621 \*Mr. Pfluger. Was John Podesta there?

3622 \*Secretary Granholm. Yes.

3623 \*Mr. Pfluger. Did you meet with TikTok LNG critics with  
3624 John Podesta?

3625 \*Secretary Granholm. No.

3626 \*Mr. Pfluger. Did John Podesta meet with TikTok LNG  
3627 critics?

3628 \*Secretary Granholm. I have no idea who he has met  
3629 with.

3630 \*Mr. Pfluger. Did anybody in your Department of Energy,  
3631 any of your undersecretaries meet with the TikTok, I think,  
3632 Stop LNG, Stop LNG --

3633 \*Secretary Granholm. I don't know who that is.

3634 \*Mr. Pfluger. Influencers?

3635 \*Secretary Granholm. I am sorry. No.



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3636           \*Mr. Pfluger. Okay. You are familiar with the  
3637 reporting and the admittance of those meetings with John  
3638 Podesta?

3639           \*Secretary Granholm. I am not.

3640           \*Mr. Pfluger. Talk me through. I want to put myself in  
3641 the cabinet room and understand what you told the President  
3642 that has changed on our ability to export LNG to our partners  
3643 and allies around the world. And why now? Because it seems  
3644 very politically motivated.

3645           So tell this Committee why it is not politically  
3646 motivated and talk us through your -- what did you tell  
3647 President Biden to say, this is an existential threat. We  
3648 cannot approve any other LNG exports to non-FTA countries  
3649 right now. We have to pause it. Talk us through that.

3650           \*Secretary Granholm. That is not what we said.

3651           \*Mr. Pfluger. But you recommended that we did pause it.

3652           \*Secretary Granholm. Pardon me?

3653           \*Mr. Pfluger. You did recommend to the President. It  
3654 was you.

3655           \*Secretary Granholm. Pause for the study to answer the  
3656 questions.

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3657 \*Mr. Pfluger. Right. So --

3658 \*Secretary Granholm. Because we have such an explosive  
3659 growth in LNG exports.

3660 \*Mr. Pfluger. Okay.

3661 \*Secretary Granholm. And the last time we did it in  
3662 2018, we were only exporting 4 BCF, and we now have  
3663 authorized 48 billion.

3664 \*Mr. Pfluger. Do we have a study?

3665 \*Secretary Granholm. Pardon me?

3666 \*Mr. Pfluger. Do we have a study right now?

3667 \*Secretary Granholm. Right now, no. They are in the  
3668 process of doing that.

3669 \*Mr. Pfluger. Who is they?

3670 \*Secretary Granholm. The National Laboratories.

3671 \*Mr. Pfluger. Which National Laboratories?

3672 \*Secretary Granholm. The National Energy Laboratory in  
3673 West Virginia, NETL, and the PNNL in Washington.

3674 \*Mr. Pfluger. But we don't have a study. But in  
3675 previous --

3676 \*Secretary Granholm. They are in the process of --

3677 \*Mr. Pfluger. -- reports --

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3678           \*Secretary Granholm. -- doing the study.

3679           \*Mr. Pfluger. -- you have said that they will be  
3680 wrapped up by the fall, but we don't really know much about  
3681 it.

3682           \*Secretary Granholm. No. I don't know that I said  
3683 that. But I have said in this hearing, and in others, that  
3684 it would be by the end of this year, maybe the beginning of  
3685 next year.

3686           \*Mr. Pfluger. Okay. Talk to me about what allies have  
3687 said to you, because there is only 14 FTAs, right?

3688           \*Secretary Granholm. Mm-hmm.

3689           \*Mr. Pfluger. So what have our non-FTA allies said in  
3690 response to this ban -- I am sorry -- pause.

3691           \*Secretary Granholm. When we have told them it doesn't  
3692 affect any existing --

3693           \*Mr. Pfluger. Yeah.

3694           \*Secretary Granholm. -- exports or any that have been  
3695 authorized, that it will not affect the amount of LNG coming  
3696 to them, that they will still be able to access, and this  
3697 will only last until the end of this year, they are perfectly  
3698 comfortable.

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3699           \*Mr. Pfluger. Did you see the letter from the 35  
3700 members of the EU Parliament?

3701           \*Secretary Granholm. I did.

3702           \*Mr. Pfluger. And do you agree with that, or do you  
3703 disagree with that?

3704           \*Secretary Granholm. Well, I think they are operating  
3705 under misperception.

3706           \*Mr. Pfluger. I think they are operating in reality.

3707           \*Secretary Granholm. Well, no, they are not.

3708           \*Mr. Pfluger. That the reality is that we have long-  
3709 term contracts. So do you believe that the pause has a  
3710 negative effect on long-term contracts?

3711           \*Secretary Granholm. Not the ones that are currently in  
3712 operation.

3713           \*Mr. Pfluger. Did other companies give you negative  
3714 feedback, because your Undersecretary Crabtree told me that  
3715 they were not pleased.

3716           \*Secretary Granholm. I understand that some in the  
3717 industry who may have pending authorization requests were not  
3718 happy, but our review is in the public interest and not in  
3719 the interest just of the oil and gas industry.

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3720           \*Mr. Pfluger. My time has expired. Thank you. I yield  
3721 back. The gentleman yields back. I will now go to Mr. Joyce  
3722 for five minutes.

3723           \*Mr. Joyce. Thank you, Chairman Duncan and Ranking  
3724 Member DeGette, for allowing me to waive on to today's  
3725 hearing. And I want to thank you, Secretary Granholm, for  
3726 testifying.

3727           We have discussed at length in this Committee the  
3728 problems with the drive for electric vehicles and especially  
3729 the California EV mandates that would ban sales of internal  
3730 combustion engines by 2035.

3731           One of these major issues is infrastructure. I am  
3732 concerned that the federal government is abusing programs for  
3733 IIJA to bail out states that do not have the infrastructure  
3734 to meet the new EV mandates that they are adopting.

3735           Last month, the Joint Office of Energy and  
3736 Transportation released that its strategy identified  
3737 deployment areas as, and I am quoting, "States with  
3738 regulations and market structures supporting zero emission  
3739 vehicles," unquote.

3740           Secretary Granholm, is the Joint Office of Energy and

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3741 Transportation attempting to prioritize awards to states that  
3742 have tied themselves to California standards when the law  
3743 requires that awards for \$5 billion in EV chargers be  
3744 distributed on a formula basis to all states, not just those  
3745 tied to California?

3746 \*Secretary Granholm. And the money has gone in formula  
3747 to all of the states. All of their programs have been  
3748 approved. Thirty-one states have started solicitations.

3749 \*Mr. Joyce. And of those 31 states, how many of those  
3750 are tied to the California mandates?

3751 \*Secretary Granholm. I don't know that any of them are  
3752 tied to the California mandates. I don't understand that.  
3753 But they are going. Another 26 states, I believe, have  
3754 actually done solicitations and accepted those. And so they  
3755 are taking steps forward. So we are encouraged by what we  
3756 are seeing across the country.

3757 \*Mr. Joyce. Moving on, hydrogen is going to be an  
3758 important energy source in the future. We both recognize  
3759 that. My home state of Pennsylvania was chosen by DOE for  
3760 two hydrogen hubs. We are very excited about the  
3761 possibilities of this new technology.

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3762           Would you agree that it will be impossible for hydrogen  
3763 to succeed without private capital and companies investing  
3764 significantly in its development?

3765           \*Secretary Granholm. Yes. And each of those hubs, all  
3766 of the hubs, have significant private capital investment.

3767           In Pennsylvania, we also have, as you know, a robust  
3768 natural gas and nuclear industries that are anxious to get  
3769 involved in the hydrogen production. The problem is the  
3770 Treasury Department's proposed guidance for 45V tax credit,  
3771 making it nearly impossible for blue or pink hydrogen to  
3772 participate.

3773           With hydrogen hubs already expressing concerns about the  
3774 45V guidance, do you share with me the concern that the  
3775 Treasury's proposed guidance might cripple the hydrogen hubs  
3776 before they even get off the ground?

3777           \*Secretary Granholm. The proposed guidance was open for  
3778 participation from stakeholders, and they received thousands  
3779 and thousands of comments. Suffice it to say, we want these  
3780 hubs to succeed.

3781           \*Mr. Joyce. I share that. I do want to see these hubs,  
3782 particularly those in Pennsylvania, succeed. You being the

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3783 most senior energy official in America, are you engaging with  
3784 the Treasury to make sure that 45V doesn't stifle hydrogen  
3785 development?

3786 \*Secretary Granholm. We are engaging with Treasury.

3787 \*Mr. Joyce. Thank you. Another innovative technology  
3788 being developed is carbon capture, utilization, and storage.  
3789 In Pennsylvania, we are very excited about the potential of  
3790 CCUS to keep our coal and our natural gas power plants  
3791 running for decades to come.

3792 In the recently finalized EPA 111 rules covering  
3793 existing coal and natural gas power plants, EPA is claiming  
3794 carbon capture is adequately demonstrated and achievable.

3795 The problem that I have is that DOE continues to award  
3796 grants to spur development of CCUS and create commercial-  
3797 scale demonstrations.

3798 Is CCUS adequately demonstrated and commercially viable  
3799 as EPA claims or juxtaposed to that, is it a promising yet  
3800 unproven technology worthy of billions of dollars in research  
3801 and development?

3802 \*Secretary Granholm. It is a proven technology.

3803 \*Mr. Joyce. So why is that disparity? Why does that



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3804 occur? Why is it that we are seeing a different algorithm  
3805 being provided by the Department of Energy than what we are  
3806 seeing from EPA?

3807           \*Secretary Granholm. The Department of Energy agrees  
3808 with EPA on the viability of this technology. We are issuing  
3809 grants on demonstrations for different use cases, but we know  
3810 the technology actually works. Petra Nova in Texas is an  
3811 example.

3812           Previously though, there had not been a price,  
3813 essentially. Now there is on the gathering of carbon, of  
3814 CO<sub>2</sub>, and so that gave the financial viability a leg up, and  
3815 so the combination proves that the technology is good and the  
3816 market is good.

3817           \*Mr. Joyce. Thank you for being here today. And again,  
3818 Chairman, thank you for allowing me to waive on.

3819           \*Mr. Duncan. I thank the gentleman, and he yields back.  
3820 I will now go to Michigan's, Ms. Dingell for five minutes,  
3821 and we are glad you are here and healthy.

3822           \*Ms. Dingell. Thank you, Mr. Chairman. And thank you  
3823 for letting us waive on. The good news is when you see the  
3824 three of us, you know you are getting close to the end,

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3825 because we are the waive-ons. It is wonderful to see you,  
3826 Madam Secretary.

3827 I agree with my colleague on the other side about  
3828 hydrogen hubs. We are very excited that we have got them in  
3829 Michigan as well, and they are, when we do talk about  
3830 alternative vehicles of the future, it is not all EVs. I  
3831 keep saying to everybody, stop only talking EVs, but the  
3832 world is going there.

3833 I want to start by acknowledging how crucial the Biden  
3834 administration's Bipartisan Infrastructure Law has been to  
3835 helping move us into the future and to update our country's  
3836 infrastructure. It created the Joint Office of Energy and  
3837 Transportation to help align resources and expertise across  
3838 DOE and DOT to successfully electrify our roads.

3839 Through this joint office, and you were talking about it  
3840 before, we have seen initiatives like the National Electric  
3841 Vehicle Infrastructure Formula Program, which has allocated  
3842 \$7.5 billion for national electric vehicle charging  
3843 infrastructure.

3844 Despite this significant investment, though, the rollout  
3845 has progressed slower than anybody wants, and we need to be

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3846 perfectly frank.

3847 Can you, Secretary Granholm, tell us what specific  
3848 obstacles has the Department of Energy faced in building the  
3849 national EV charging network, and how is the department  
3850 working to overcome these challenges?

3851 \*Secretary Granholm. Yeah, thank you for the question,  
3852 because it is really important.

3853 So right now, we have 181,000 chargers across the  
3854 country, most of that, of course, from the private sector.  
3855 Our goal is to get to 500,000. We approved all 50 states,  
3856 plus the territories' plants. They have all gotten their  
3857 funding in formula to be able to do that.

3858 Thirty-five states have released solicitations. Twenty-  
3859 one states have announced awards. We expect that there will  
3860 be 1,000 stations under this program by the end of 2024.  
3861 There is the corridor program, where we are filling in gaps  
3862 on transportation corridors, and then there is what is known  
3863 as CFI, or I like to call it rip and replace, where we are  
3864 replacing existing charging stations that are broken, so that  
3865 we have as much charging availability as possible.

3866 Our challenge is that it takes about 18 months, on

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3867 average, to pull electricity to a charger where electricity  
3868 doesn't already exist.

3869         They have permitting issues at the state level so the  
3870 states are finding a little bit of difficulty in ramping up.  
3871 However, we are now here, all of these solicitations are out,  
3872 they have their plans. Their plans have been approved, so we  
3873 are going to start to see more and more of the public  
3874 chargers available throughout the course of this year and  
3875 beyond.

3876         \*Ms. Dingell. So let's build on that. So Michigan  
3877 recently announced its NEVA award to develop new EV charging  
3878 stations. How is DOE supporting the state transportation  
3879 agencies in planning and implementing this charging rollout?  
3880 And I would like you to talk a little bit, because one of the  
3881 complaints I get from everybody in California is that a lot  
3882 of the chargers don't work, and that it is a real problem.

3883         \*Secretary Granholm. Right. So on the how we are  
3884 helping states is that the Joint Office between  
3885 transportation and DOE has a whole suite of people who are  
3886 doing technical assistance to help with both planning,  
3887 permitting, design, et cetera. That is exciting.

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3888           It is called CFI, the charging and fueling  
3889 infrastructure, is to replace 7,500 chargers, and we need to  
3890 make sure that states are doing that. They have been given  
3891 funding for that as well. They have been given funding in  
3892 two parts, one for the corridors and one for the rip and  
3893 replace, and hopefully that is happening.

3894           The rip and replace should be easier. It is the lowest  
3895 hanging fruit. You don't have to worry about permitting.  
3896 You don't have to worry about getting electricity in. So we  
3897 are encouraging states to take that on first, even as they  
3898 are getting the permitting for the other ones.

3899           \*Ms. Dingell. I am going to have some other questions  
3900 for the record, but I do need to bring this up.

3901           Last summer, many of the communities I have represented  
3902 faced significant destruction from storms, as you know.  
3903 Southeast Michigan keeps getting hit by once-every-100-year  
3904 storms every year, including heavy rainfall, strong winds,  
3905 and we had seven tornadoes, four of them in my district,  
3906 leading to road and bridge closures, fallen trees, power  
3907 lines down, damages to structures and roads, overwhelming  
3908 warm weather, et cetera.

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3909           At the peak, close to 500,000 customers lost power in  
3910 southern Michigan, and it happens too much, and thousands  
3911 remained without power for days. My goal is to ensure we are  
3912 better prepared for these increasingly severe weather events  
3913 impacting our communities.

3914           How is DOE working with utilities to quickly restore  
3915 power to consumers and also strengthen grid resilience, both  
3916 during and after events like this?

3917           \*Secretary Granholm. Yeah, two responses on that. We  
3918 are leading an energy sector coordinating counsel with the  
3919 utilities to be able to do quick responses to help get up.  
3920 Ultimately, it is the utility's responsibility to get the  
3921 poles up, the transmission lines across.

3922           But the second thing is that Congress gave us funding to  
3923 be able to support hardening the grid, expanding the grid,  
3924 making the grid more resilient to these extreme weather  
3925 events. We are giving out those grants on a regular basis,  
3926 and I think Michigan, in fact, got some of that to be able to  
3927 do it.

3928           Ultimately, though, this is a huge infrastructure  
3929 project across the country, not just in Michigan, and we need

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3930 to invest in that infrastructure as well as the roads and  
3931 bridges.

3932 \*Ms. Dingell. Thank you. I yield back, Mr. Chair.

3933 \*Mr. Duncan. The gentlelady yields back.

3934 Madam Secretary, we usually save the best for last, but  
3935 it is not the case here. But I will recognize Mr. Carter for  
3936 five minutes.

3937 \*Mr. Carter. Thank you, Mr. Chairman, for allowing me  
3938 to waive on and for that outstanding reference.

3939 Secretary Granholm, thank you for being here. Recently,  
3940 the EPA has issued new PM rules and standards that are so  
3941 close to the background levels in communities that even areas  
3942 that meet the standards won't be able to permit new or  
3943 expanded manufacturing, including manufacturing that is  
3944 critical to building the clean environment and energy  
3945 infrastructure that this administration is pursuing and  
3946 pushing so hard.

3947 So as DOE implements programs to support new  
3948 manufacturing, has it taken into consideration the new permit  
3949 barriers that are created by EPA?

3950 \*Secretary Granholm. Well, as we give out grants, we

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3951 don't take that into account. We take into account what the  
3952 seeker of the funds is asking for and the kind of technology  
3953 that they are using.

3954 \*Mr. Carter. How do you feel about the PM 2.5 rule and  
3955 the standards?

3956 \*Secretary Granholm. I support it.

3957 \*Mr. Carter. You support it? Even though it is so  
3958 close to the background that many places aren't going to be  
3959 able to --

3960 \*Secretary Granholm. But there is a lot of technology  
3961 to be able to address that.

3962 \*Mr. Carter. Understood. Can I give you an example of  
3963 that? The largest single economic development project in the  
3964 history of the State of Georgia is taking place right now in  
3965 my district. And that is the EV manufacturing plant, the  
3966 Hyundai, \$5.5 billion investment, 8,100 jobs, probably that  
3967 many more jobs in ancillary businesses. We are excited and  
3968 appreciative that it is going there.

3969 Do you realize that project would not be permitted today  
3970 if the PM 2.5 standards were in place?

3971 \*Secretary Granholm. I don't have the information on



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3972 that.

3973 \*Mr. Carter. Okay. Well, I hope you will look at that  
3974 because it is true. We could not get that project today, and  
3975 I know you want that project, and I want that project. Look,  
3976 I think there is going to be a market for EVs.

3977 I don't agree with a lot of things, with the government  
3978 picking winners and losers. But at the same time, I think  
3979 they are making a wise decision. There is going to be a  
3980 market for EVs, and I think they are going to be very  
3981 successful. That is why I want them to build this plant.

3982 So I hope you will look at that because these are high-  
3983 quality jobs, high-paying jobs.

3984 \*Secretary Granholm. I know they are.

3985 \*Mr. Carter. They are. They are.

3986 \*Secretary Granholm. There is 35 factories that have  
3987 come to Georgia as a result of this.

3988 \*Mr. Carter. Absolutely, but aren't you concerned?  
3989 Because you are obviously pushing this as much as anyone.  
3990 Aren't you concerned that there is going to be other projects  
3991 that aren't going to get permitted?

3992 \*Secretary Granholm. It is my understanding that is

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3993 not, in fact, the case, but I will --

3994 \*Mr. Carter. Well, please --

3995 \*Secretary Granholm. I will go back and look at it.

3996 \*Mr. Carter. And please let me know. All right.

3997 Let me shift gears here, if I could. We have heard  
3998 reports recently, and we are certainly alarmed, that the  
3999 Biden administration has pressured Ukraine to halt strikes on  
4000 Russian energy facilities out of concern that it will impact  
4001 Russia's oil production capacity and lead to increased global  
4002 oil prices.

4003 As I understand it, and please correct me if I am wrong,  
4004 but you, as the Secretary of the Department of Energy, it is  
4005 your responsibility, or whoever might hold that position of  
4006 Secretary, it is their responsibility to advise the President  
4007 on matters relating to energy security and global energy  
4008 markets.

4009 Did you advise the President on this?

4010 \*Secretary Granholm. It is not in my remit.

4011 \*Mr. Carter. I am sorry?

4012 \*Secretary Granholm. It is not in my remit.

4013 \*Mr. Carter. It is not in your remit?

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4014           \*Secretary Granholm. Right. It is not in my -- that is  
4015 the Department of State, that is not the Department of Energy  
4016 that would do that.

4017           \*Mr. Carter. So with an energy issue like this --

4018           \*Secretary Granholm. There is people in the White House  
4019 who do that.

4020           \*Mr. Carter. You don't have any influence on this at  
4021 all?

4022           \*Secretary Granholm. Not on that decision, not on that  
4023 decision, no.

4024           \*Mr. Carter. Well, can I ask you, do you believe that  
4025 disrupting Russia's energy facilities will drive up global  
4026 oil prices?

4027           \*Secretary Granholm. I don't have an opinion on that.

4028           \*Mr. Carter. Surely you do. You are the Secretary of  
4029 Energy. Surely the Secretary of Energy of the -- I find that  
4030 hard to believe. But nevertheless, and perhaps I need to be  
4031 educated here as to exactly what the responsibilities of the  
4032 Department -- it is a cabinet post. I thought that you were  
4033 an advisor to the President.

4034           \*Secretary Granholm. I am an advisor to the President

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4035 on domestic energy issues, and there is a whole suite of  
4036 people in the White House who advise both on energy issues  
4037 and global energy issues. There is a whole national security  
4038 implication here as well.

4039 \*Mr. Carter. So you are washing your hands of this.  
4040 You are not going to take any --

4041 \*Secretary Granholm. It is not saying I am washing my  
4042 hands. I am involved in the things that I am involved in. I  
4043 was not involved in that decision.

4044 \*Mr. Carter. But you are not involved in this?

4045 \*Secretary Granholm. Not in that decision, no sir.

4046 \*Mr. Carter. Okay. Fair enough. We will move on then.  
4047 Let's talk about LNG and about the quote-unquote,  
4048 "pause," if you will, which I think is more of a ban.

4049 \*Secretary Granholm. It is not a ban.

4050 \*Mr. Carter. It is not a ban, it is a pause?

4051 \*Secretary Granholm. It is not a ban. It is a pause.

4052 \*Mr. Carter. Okay. I want to get that straight, and I  
4053 assume you were involved in that decision.

4054 \*Secretary Granholm. I was.

4055 \*Mr. Carter. Good, good. I think it is the worst

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4056 decision that possibly could have been made, and I think  
4057 economically and from a global emissions standpoint, it was  
4058 an awful decision. But nevertheless, I am not the Secretary  
4059 of Energy, you are.

4060           So there was a 2019 Department of Energy study that  
4061 found that the life cycle of greenhouse gas emissions of U.S.  
4062 LNG is more than 40 percent cleaner than Russia. Certainly,  
4063 we should be taking that into consideration when we make  
4064 decisions like this.

4065           Do you agree that U.S. LNG is cleaner than Russian  
4066 natural gas?

4067           \*Secretary Granholm. I do.

4068           \*Mr. Carter. You do. Do you believe that U.S. energy  
4069 workers deserve credit for what they are doing to expand the  
4070 supply of clean natural gas?

4071           \*Secretary Granholm. Absolutely.

4072           \*Mr. Carter. And are you concerned the announced pause  
4073 on new LNG permits could undercut the progress that Americans  
4074 and our allies are making to reduce emissions?

4075           \*Secretary Granholm. No. It will not.

4076           \*Mr. Carter. It will not?

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4077           \*Secretary Granholm. It will not.

4078           \*Mr. Carter. Because they will be using Russian LNG  
4079 that you just said --

4080           \*Secretary Granholm. No, no.

4081           \*Mr. Carter. -- is dirtier?

4082           \*Secretary Granholm. The pause is merely to the end of  
4083 this year to conduct a study on what is in the national  
4084 interest given the volumes. It does not affect current  
4085 exports. It does not affect anything that has been  
4086 authorized. We have authorized 48 billion cubic feet of  
4087 exports. We are currently at 14 billion capacity.

4088           \*Mr. Carter. Will it impact exports in the first of  
4089 next year?

4090           \*Secretary Granholm. Will it impact what?

4091           \*Mr. Carter. Will it impact exports in the first of  
4092 next year?

4093           \*Secretary Granholm. We are waiting to see what the  
4094 results of the study is based on a number of things.

4095           \*Mr. Carter. Thank you, Ms. Secretary, for being here  
4096 and thank you, Mr. Chairman, for allowing me to waive on to  
4097 this very frustrating exchange. Thank you.

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4098           \*Mr. Duncan. The gentleman yields back. And I would  
4099 like to thank Madam Secretary for being here today.

4100           Members may have additional written questions which they  
4101 will submit in writing, and I just ask that they do that  
4102 within 10 business days and that you respond within 10  
4103 business days.

4104           Upon receipt of the questions, I ask unanimous consent  
4105 to insert to the record documents included on the staff  
4106 hearing documents list and without objection, that will be  
4107 the order. And without objection, seeing no other members of  
4108 Congress, we will stand adjourned.

4109           \*Secretary Granholm. Thank you.

4110           [Whereupon, at 1:22 p.m., the Subcommittee was  
4111 adjourned.]