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6 FROM GAS TO GROCERIES:

7 AMERICANS PAY THE PRICE OF THE BIDEN-HARRIS ENERGY AGENDA

8 WEDNESDAY, SEPTEMBER 11, 2024

9 House of Representatives,

10 Subcommittee on Energy, Climate, and Grid Security,

11 Committee on Energy and Commerce,

12 Washington, D.C.

13

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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. Jeff Duncan

18 [Chairman of the Subcommittee], presiding.

19

20 Present: Representatives Duncan, Burgess, Latta,

21 Guthrie, Griffith, Bucshon, Walberg, Palmer, Lesko, Pence,

22 Weber, Allen, Balderson, Pfluger, Rodgers (ex officio);

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23 DeGette, Peters, Fletcher, Matsui, Tonko, Veasey, Kuster,
24 Schrier, Castor, Sarbanes, Cardenas, and Pallone (ex
25 officio).

26 Also present: Representative Joyce.

27 Staff Present: Sarah Burke, Deputy Staff Director; Nick
28 Crocker, Senior Advisor and Director of Coalitions; Sydney
29 Greene, Director of Operations; Nate Hodson, Staff Director;
30 Tara Hupman, Chief Counsel; Emily King, Member Services
31 Director; Mary Martin, Chief Counsel; Brandon Mooney, Deputy
32 Chief Counsel; Kaitlyn Peterson, Clerk; Karli Plucker,
33 Director of Operations (shared staff); Peter Spencer, Senior
34 Professional Staff Member; Tiffany Guarascio, Minority Staff
35 Director; Sanjana Miryala, Minority Intern; Kristopher
36 Pittard, Minority Professional Staff Member; Emma Roehrig,
37 Minority Staff Assistant; Kylea Rogers, Minority Policy
38 Analyst; Medha Surampudy, Professional Staff Member; and
39 Tuley Wright, Minority Staff Director, Energy, Climate, and
40 Grid Security.

41

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42 *Mr. Duncan. The Subcommittee on Energy, Climate, and
43 Grid Security will now come to order, and the chair will
44 recognize himself for five minutes for an opening statement.

45 Before we do that I just want to take a minute in
46 today's hearing and pause for the nearly 3,000 Americans who
47 lost their lives on this tragic day 23 years ago. Our
48 thoughts and prayers are with the survivors and families who
49 lost their loved ones. We will never forget their brave
50 sacrifice. And if we could just have a brief moment of
51 silence.

52 [A moment of silence was observed.]

53 *Mr. Duncan. Thank you for that. Never forget.

54 We welcome you to today's hearing, "From Gas to
55 Groceries: Americans Pay the Price of the Biden and Harris
56 Energy Agenda.'" Today we are going to review the past four
57 years to examine how record-high energy prices have impacted
58 American families and their pursuit of the American dream.

59 Since the beginning of this Congress, members of this
60 subcommittee have attended numerous hearings and roundtables
61 focused on the issues that impact our everyday lives. Since
62 day one, the Biden-Harris Administration has waged a war on
63 American energy, and the results have been devastating. The

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64 facts are undeniable: inflation has surged out of control,
65 price levels remain unacceptably high, and it all began with
66 energy. Energy is foundational.

67 Records have been set with historically high prices for
68 gasoline, diesel, fertilizers, and many fossil-fuel based
69 commodities. Supply chain shortages have rippled across the
70 economy, affecting everything from computer chips to toilet
71 paper. Americans are paying more for groceries, for their
72 housing. They are paying high credit card bills, higher than
73 when the Administration took over.

74 Massive government spending and tax subsidies have
75 distorted energy markets and have destabilized our electric
76 grid. And government spending is a huge driver of inflation.
77 Who pays the price for all this? Every American, rich and
78 poor, the upper class, the middle class, and the lower class.
79 They are paying more and getting less under the Biden-Harris
80 agenda. Americans are suffering under the Administration's
81 energy policies. Energy powers our economy. The cost of
82 energy, fossil fuels, and electricity is embedded in
83 everything that we buy. From gas to groceries, everything
84 costs a lot more than it did just four years ago.

85 Now, my Democrat colleagues may not want to admit it,

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86 but American families are feeling the pain. Inflation,
87 grocery bills, housing costs, these are real issues that
88 people are talking about around their kitchen tables. These
89 are issues that the people care about. Today's hearing will
90 give members an opportunity to hear the stories of Americans
91 on the front line of the Biden-Harris Administration's
92 American energy war.

93 We will learn about how the American dream is being
94 threatened by energy and economic policies that prioritize a
95 global climate agenda over American families, their standard
96 of living, and quality of life.

97 We will hear how Federal regulations targeting fossil
98 fuel production and electric generation are resulting in
99 record-shattering electricity bills and forced power outages.

100 We will also learn why our groceries cost so much more
101 now than they did just four years ago.

102 We will examine the false promises of a green
103 transition, and why claims of price gouging are another
104 distraction from the Administration's failed policy agenda.
105 Prices are high because of the built-in cost of energy and
106 commodities. These trends are directly related to the
107 policies of this Administration.

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108 Now, we are going to hear from the other side of the
109 aisle that oil and gas production is at record highs. And
110 honestly, that is great, because global demand for energy is
111 only increasing. But the Biden-Harris Administration had
112 nothing to do with that. Most of these increases have come
113 on state and private land, and oil and gas projects don't pop
114 up to the ground overnight, and they don't pop up to the
115 ground in four years. From the time of a discovery to
116 expiration to development of a well to bringing that
117 production online takes years and years, and the production
118 increases we are seeing now are based on the policies of past
119 administrations, not this one that started day one targeting
120 the American fossil fuel and energy sector.

121 We can talk about cancellation of offshore leases and
122 leases on Federal lands, fewer lease sales on the OCS by this
123 Administration and its five-year plan than we have ever seen.
124 They have had a war on energy, wanting to stop LNG exports
125 with their pause. We have discussed a lot of this. And
126 taking credit for increased production today is like the
127 rooster taking credit for the sunrise. It happened because
128 of something else, not this Administration's policy. This
129 Administration has only tried to thwart oil and gas

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130 production, a process that takes multiple years.

131 Today's hearing highlights this subcommittee's work in
132 this Congress. We have held dozens of hearings, and with
133 expert witnesses and Administration officials we have
134 explored the issues, sector by sector, across jurisdiction.
135 And a consistent lesson has emerged: increasing the supply
136 of energy and reducing regulatory roadblocks to ease the cost
137 of delivering energy produces a powerful driver for the
138 economy and lowers prices. Republicans have worked on this.
139 We have also passed important legislation like H.R. 1, the
140 Lower Energy Cost Act, to reform the energy permitting
141 process and reverse these harmful regulations that threaten
142 our economic growth here in America.

143 We still have important work to do, and I hope to use
144 the remainder of this Congress to push these important
145 reforms over the finish line.

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

147

148 *****COMMITTEE INSERT*****

149

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150 *Mr. Duncan. With that I want to thank the witnesses
151 for being here today. I will yield back and recognize the
152 ranking member, Ms. DeGette, for five minutes.

153 *Ms. DeGette. I was just -- Mr. Chairman, I was just
154 fascinated to hear your opening statement, because for this
155 whole Congress we have been hearing you and your colleagues
156 talking about how oil prices and production are so high in
157 this country. But apparently, you found out the same thing
158 we did, which I will talk about in a few minutes, that oil
159 production is up and prices are actually down. And so now it
160 is not because of Joe Biden and Kamala Harris, I guess it is
161 because of the previous administrations. So, you know, talk
162 about shifting the goalposts all the time.

163 But what we need is a strong energy policy, and I am
164 going to talk about that.

165 Something else I want to talk about, Mr. Chairman, is I
166 want to bring a little dose of reality to what you were
167 saying about inflation, because for the past two years we
168 have been hearing you and all your colleagues talk about
169 inflation is out of control and high. So today the Consumer
170 Price Index report just came out a few minutes ago. That is
171 the report that measures inflation. And it was just released

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172 this morning.

173 For example, inflation with groceries, food at home,
174 finally has stabilized to zero. Food costs are still too
175 high, I am not going to deny that. But the fact is inflation
176 with food is going down, and we need to continue that trend.
177 For energy it was even better. Inflation for all energy was
178 negative 0.08 percent in August. Prices, energy prices,
179 actually went down. That is great for the American family.
180 It is not great enough yet, but it is the right trajectory,
181 and we need to keep on going with this team.

182 I want to talk about what happened four years ago, when
183 we were facing a pandemic and the devastated supply chains
184 and the economies that were shut down. Shortly after the
185 pandemic, Russia's invasion of Ukraine began, further
186 exacerbating supply chains and driving prices higher. Since
187 then the Biden-Harris Administration has worked, and
188 apparently it is starting to work to lower energy costs for
189 everyday Americans. According to the U.S. Energy Information
190 Administration, America currently produces more crude oil and
191 natural gas than any country in history.

192 But while we are seeing record production domestically,
193 gas prices remain too high as big oil and gas companies

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194 return record profits and pay massive stock -- stock payoffs.
195 We had a hearing in this subcommittee -- or, I am sorry, in
196 the O&I Subcommittee -- in 2022, when I was the chair of that
197 subcommittee, and I had 6 oil and gas executives come in to
198 talk about why their companies were earning so much profit as
199 the Americans struggled to pay at the pump. They said it was
200 because their shareholders demanded that they get as high a
201 price as they could. And lo, it came to be. So it didn't
202 have anything to do with low gas production or any of the
203 other things that my colleagues are saying today.

204 So I guess I am -- I guess it is campaign season, so we
205 are going to be having this hearing and we are going to hear
206 from some witnesses who will hopefully shed light on how
207 corporations are earning more than ever while Americans are
208 still paying higher prices, and the steps that the Biden-
209 Harris Administration has done to strengthen the energy
210 supply chains, which is what is going to bring down prices.

211 In March 2023 the House passed H.R. 1, also known as the
212 polluters over people act, the majority's number-one
213 legislative priority. This bill was a giveaway to the
214 companies profiting most off the energy prices that the bill
215 claimed to combat. Seventeen months later, the majority

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216 still hadn't sent that bill from the desk over to the Senate
217 because they know it is a failed policy.

218 Also, we spent legislative time on a lot of anti-
219 efficiency bills like -- for real, this is the name --
220 Refrigerator Freedom Act. It is not just a silly title.
221 Independent estimates have found that conservation measures
222 Republicans are seeking to repeal put billions of dollars
223 into the pockets of consumers.

224 And finally, one thing I want to talk about is how the
225 Administration has tackled the long-term problem by focusing
226 on energy supply chains at home, rather than outsourcing our
227 energy demands. I have got a chart because why not?

228 [Chart]

229 *Ms. DeGette. And what the chart shows is that the U.S.
230 has produced record crude oil this past year. Not only did
231 we surpass Saudi Arabia and Russia, the U.S. is producing
232 more crude oil than any country ever. This increase is
233 helping to secure the energy and economic security. In other
234 words, President Biden and Vice President Harris are
235 unleashing American energy, and this progress is the direct
236 result of policy choices from this Administration. Now, if
237 you look at -- you can see this. In the last administration,

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238 this is the record. But now it is going up even more because
239 of these policies.

240 So as I said at the beginning of my remarks, I guess it
241 is the silly season, but at least on this side of the aisle
242 we want to talk about facts, and we want to talk about how
243 energy prices can be brought down even further for the
244 American public.

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

246

247 *****COMMITTEE INSERT*****

248

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249 *Ms. DeGette. I yield back.

250 *Mr. Duncan. The gentlewoman yields back. I now
251 recognize the chair of the full committee, Mrs. Rodgers, for
252 five minutes.

253 *The Chair. Thank you, Chair Duncan.

254 Before we begin, today we remember all those who lost
255 and the heroes who bravely confronted evil on 9/11. We can
256 never forget them or their sacrifices so we remember what is
257 at stake: our values, our country, and our children's
258 future.

259 Thank you to our witnesses for appearing before the
260 subcommittee today. We look forward to your testimony.

261 Affordable, reliable energy is foundational to
262 everything that we do. It is key for our national security
263 and for the prosperity of American families, businesses, and
264 communities. From the manufacture and production of everyday
265 goods we need to take care of our families to the power
266 necessary to keep homes warm in the winter and cool in the
267 summer, it starts with energy.

268 Over the past two years the Energy and Commerce
269 Committee has led the way to expose how the Biden-Harris
270 Administration's war on American energy is fueling the out-

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271 of-control inflation that is hurting our financial security
272 and the financial security of the American people. We have
273 examined how the Administration's radical, rush-to-green
274 agenda and regulations are threatening our national security
275 and our economic growth by restricting energy expansion, by
276 shutting down reliable baseload power generation and
277 replacing it with unreliable, expensive generation, and by
278 driving up the cost of mobility and home ownership, putting
279 the American dream out of reach for many.

280 We have also examined how the radical Biden-Harris EPA
281 has set new emission standards at levels that will make it
282 nearly impossible to permit the expansion or building of new
283 manufacturing in most of the country, crushing good-paying
284 jobs and further driving up the cost of our goods.

285 This Administration's war on American energy impacts
286 every aspect of our lives, and hard-working Americans are
287 facing the consequences every day, from the gas pump to the
288 grocery store. Today American families pay, on average, 30
289 percent more for electricity; 25 percent more for gas to heat
290 their homes; 56 percent more for gasoline to fuel their cars
291 as they did in January of 2021. Right now, families are
292 paying the largest portion of their income on food in 30

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293 years. I recently read about a mom living in North Carolina
294 who said, "Sometimes I have to choose whether I am going to
295 pay the light bill or do I pay all the rent or buy food or
296 not let my son do a sport.'"

297 It doesn't have to be this way, and it shouldn't be this
298 way. In my home state of Washington, the average family is
299 paying over \$1,000 more per month, \$1,000.66, in fact, on
300 average, than they did in January of 2021 for the same goods
301 and services. And that is according to the Joint Economic
302 Committee. That adds up to more than \$27,000 in additional
303 spending due to inflation since the start of the Biden-Harris
304 Administration. In California, it is even worse. On
305 average, households have spent \$35,000 more since this
306 Administration took over. And in spite of all of this, the
307 Biden-Harris Administration has doubled down on its radical
308 policies.

309 Today we will focus on how the Administration's rush-to-
310 green energy policies contribute to the high cost Americans
311 face every day across the board, and the resulting
312 consequences on families and businesses. Without taking
313 action to promote American energy expansion, there is
314 tremendous uncertainty for our future. While the United

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315 States has regained its leadership in oil and gas production,
316 thanks to the pro-American energy policies of the previous
317 Administration, current restrictions led by the Biden-Harris
318 Administration on future energy production jeopardizes this
319 success. The Administration's increased taxes, increased
320 regulations, limits on drilling puts us on a path not to be
321 able to meet America's growing needs. Check the facts.

322 There is an important choice we need to make moving
323 forward: we can continue down the path of energy
324 restrictions, reduced reliability, and unaffordable cost, or
325 we can choose the path of energy dominance, security, and
326 economic prosperity. I believe the choice is obvious. We
327 must focus on advancing policies that reduce costs for
328 American families and businesses, and that begins with
329 unleashing American energy production to lower cost, make
330 life more affordable, and reject the Biden-Harris
331 Administration's rush-to-green agenda.

332 Let's stand up for American values, the values of free
333 market competition, the values of innovation, the values of
334 environmental stewardship. Those are our values, and that is
335 how we win the future.

336 [The prepared statement of The Chair follows:]

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337

338 *****COMMITTEE INSERT*****

339

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340 *The Chair. I yield back.

341 *Mr. Duncan. The gentlelady yields back. I now
342 recognize the ranking member of the full committee, the
343 gentleman from New Jersey, Mr. Pallone, for five minutes.

344 *Mr. Pallone. Thank you, Mr. Chairman. Today's hearing
345 is missing the point. If committee Republicans are really
346 concerned about energy prices, they would have immediately
347 scheduled a hearing into the Federal Trade Commission's
348 allegations that a former Big Oil CEO had colluded with OPEC
349 to limit crude oil production and increase prices on hard-
350 working families.

351 This is a massive scandal, and it alarms me so much that
352 I opened an investigation as soon as I heard the news.
353 Unfortunately, committee Republicans have done nothing about
354 this. In May I requested that Chair Rodgers hold a hearing
355 on these allegations, and it has been over three months now
356 and no action from the Republican majority. So yesterday I
357 wrote the chair again, asking that the majority merely
358 schedule a briefing with the FTC so that we can learn more
359 about what the agency has uncovered. And I can't call for
360 the hearing on my own, the request must come from the chair
361 of the committee.

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362 A serious crime has allegedly been committed against the
363 American people by which Big Oil colluded with our
364 adversaries to increase prices at the pump, and committee
365 Republicans have buried their heads in the sand. This is a
366 perfect example of what four more years of Trump and
367 Republicans' polluters over people agenda would get us. And
368 we know exactly what four more years of Trump would look like
369 because it is included in the Trump Project 2025, an extreme
370 playbook that would consolidate power in the White House, gut
371 checks and balances, and eliminate the independence of our
372 Federal agencies. It is an extreme agenda to take control of
373 Americans' lives and freedoms.

374 The energy and climate policies included in Trump's
375 Project 2025 were extraordinarily clear. Republicans want to
376 repeal programs that lower energy costs for Americans, and
377 instead ramp up activities that favor polluting fossil fuels
378 and increase prices on hard-working American families. It
379 would eliminate energy efficiency standards that save
380 Americans money, and the independence of Federal Energy
381 Regulatory Commission. It also calls for dramatically
382 increasing coal-burning and natural gas exports, something
383 that is good for polluters, but increases energy prices on

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384 American families.

385 And if you look at the Republicans' actual record, you
386 can see Trump's Project 2025 all over the place. In fact,
387 two of the Republican witnesses today represent organizations
388 that helped author Project 2025.

389 Throughout this Congress Republicans have targeted
390 energy saving programs at every turn, and now they have the
391 audacity to accuse the Biden Administration and Democrats of
392 high energy prices. They have wasted time passing ridiculous
393 bills like Refrigerator Freedom Act that would make
394 appliances more expensive to operate. Virtually all the
395 energy bills Republicans have prioritized this Congress echo
396 the extreme policies outlined in Project 2025.

397 And this all stands in stark contrast to the substantial
398 victories that the Biden-Harris Administration and
399 congressional Democrats have achieved over the last four
400 years. President Biden was able to use the nation's
401 Strategic Petroleum Reserve to lower gas prices when they
402 spiked in 2022 after Vladimir Putin's invasion of Ukraine.
403 The Biden-Harris Administration sold oil when prices were
404 high and bought it back when prices were low, making a profit
405 of nearly \$1 billion for the American taxpayer. Meanwhile,

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406 gas prices are down \$1.60 below their highs 2 years ago.

407 That is a win-win for the American people.

408 And thanks to the Biden-Harris Administration and
409 congressional Democrats, the average household is poised to
410 save up to \$220 a year on electricity costs over the next
411 decade. The Bipartisan Infrastructure Law and the Inflation
412 Reduction Act included a variety of programs and tax credits
413 designed to help Americans lower energy consumption and
414 reduce energy bills. The key goals of these laws were to
415 lower costs for American families, create good-paying jobs,
416 and combat the worsening climate crisis. And that is exactly
417 what they are doing.

418 Now, this hearing is about contrasting agendas. Trump's
419 Project 2025 will increase energy prices, make power less
420 reliable, and make our air and water dirtier. It is a
421 playbook to ensure that Americans are dragged back to the
422 19th century, rather than advancing forward into the 21st
423 century. Democrats' energy priorities will ensure that every
424 American has access to affordable, reliable, and clean
425 energy. Republican energy policies, by contrast, double down
426 on expensive and volatile fossil fuels, raising energy bills
427 on families across the country in the process. And we can't

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428 allow that to happen. We just cannot go back. That is the
429 bottom line.

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

431

432 *****COMMITTEE INSERT*****

433

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434 *Mr. Pallone. And with that, Mr. Chairman, I yield back
435 the balance of my time.

436 *Mr. Duncan. The gentleman yields back, and that will
437 conclude the members' opening statements.

438 The chair would like to remind members that, pursuant to
439 committee rules, all members' opening statements will be made
440 part of the record.

441 We want to thank all the witnesses for being here today
442 and taking time to testify before this subcommittee.

443 Each witness will be given the opportunity to give an
444 opening statement, five minutes, and then we will have a
445 round of questioning by the members.

446 Some lights in front of you -- green means go, yellow
447 means you are about to your end. When it gets to red you
448 need to wrap up. I don't want to raise the gavel. And so if
449 you can adhere to that, we can try to move on time. But
450 again, thank you.

451 I will introduce the witnesses.

452 Ms. Patricia Onwuka, and she is director of the Center
453 for Economic Opportunity with Independent Women's Forum.

454 Ms. Linda Pryor, she is a farm manager of Hilltop Farm
455 from Hendersonville, North Carolina. Some of the best apples

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456 in the world are grown in Hendersonville.

457 Thanks for being here.

458 She is on behalf of the American Farm Bureau Federation.

459 Senior Vice President Trevor Higgins, senior vice
460 president for energy and environment at the Center for
461 American Progress.

462 And Mr. Travis Fisher, director of energy and
463 environmental policy studies at the Cato Institute.

464 So we appreciate you all for being here, and I will now
465 recognize Ms. Onwuka for five minutes for an opening
466 statement.

467

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468 STATEMENT OF PATRICE ONWUKA, DIRECTOR, CENTER FOR ECONOMIC
469 OPPORTUNITY, INDEPENDENT WOMEN'S FORUM; LINDA PRYOR, HILLTOP
470 FARM WNC, HENDERSONVILLE, NORTH CAROLINA, ON BEHALF OF THE
471 AMERICAN FARM BUREAU FEDERATION; TREVOR HIGGINS, SENIOR VICE
472 PRESIDENT, ENERGY AND ENVIRONMENT, CENTER FOR AMERICAN
473 PROGRESS; AND TRAVIS FISHER, DIRECTOR OF ENERGY AND
474 ENVIRONMENTAL POLICY STUDIES, CATO INSTITUTE

475

476 STATEMENT OF PATRICE ONWUKA

477

478 *Ms. Onwuka. Thank you, Chair Duncan and Chair Rodgers,
479 who just left. Thank you, Ranking Members Pallone and
480 DeGette, and the committee for having me to testify today.

481 My name is Patrice Onwuka, and I am the director of the
482 Center for Economic Opportunity at Independent Women's Forum.
483 We are a non-profit organization that is committed to
484 increasing the number of women who value free markets and
485 personal liberty.

486 Many households are straining under the weight of high
487 prices and rising costs for energy that cut down their
488 disposable income and force some to make some disheartening
489 choices. This hearing offers a timely opportunity to explore

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490 the impacts of the Biden-Harris energy agenda on American
491 households.

492 Now, we know inflation rates are down from June 2021
493 highs. However, overall prices are up 19.4 percent over the
494 past 3-1/2 years of the Biden-Harris Administration. Home
495 heating oil is up 36 percent, electricity is up 32 percent,
496 and natural gas up 25 percent. And these prices started to
497 rise in early 2021. Americans spent an average of \$429 per
498 month, or about \$5,100 per year on utilities.

499 But this is just part of the story. Housing costs have
500 accelerated and are the biggest drivers of inflation right
501 now. The monthly cost for a median-priced home are at the
502 highest in more than 30 years. We know the Federal Reserve
503 is fighting inflation by raising its benchmark Federal funds
504 rate to a 22-year high, but that makes credit cards and
505 mortgages all cost more each month. So American households
506 are in a more tenuous financial position now than they were
507 before inflation took off in early 2021. Average households
508 have lost roughly \$2,000 of pricing -- of purchasing power.
509 Personal savings have fallen by nearly \$3 trillion, and
510 collective credit card balances are at an all-time high.

511 Interestingly, though, and dishearteningly, some

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512 demographics are uniquely more negatively impacted by high
513 energy costs than others. Poor and working-class families
514 spend disproportionately more of their incomes on essential
515 items such as food and energy than higher income households,
516 yet these households are least likely to meet their basic
517 heating, cooling, and energy needs.

518 Forty-four percent of households living near or below
519 the Federal poverty line experience these challenges. They
520 contend with heating and electrical problems, utility service
521 interruptions, inadequate insulation, and this diminishes
522 their quality of life, placing them in unhealthy and
523 sometimes dangerous situations. Lower-income Black
524 households experience the highest rates of energy challenges
525 compared to Hispanic, White, and Asian households.
526 Regionally, we also see low-income people in southeast states
527 also disproportionately likely to face energy hardships.

528 And unfortunately, lower-income families in America face
529 a heat-or-eat dilemma, this existential choice between paying
530 utilities or buying food, medicine, and shelter. When we
531 look at the shares of Black and Hispanic households who have
532 reduced food and medicine in order to pay their energy bills,
533 we are seeing those rates two-and-a-half to three times

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534 higher than White counterparts.

535 So how did we get to a place where a working mom is
536 choosing between energy bills and food or rent, as the
537 ranking -- Chair Rodgers mentioned? Well, inflation and high
538 prices are the consequences of unsustainable Federal spending
539 and burdensome regulations on energy.

540 Economists on the left and the right agree that the \$1.9
541 trillion American Rescue Plan fueled inflation by injecting
542 the economy with stimulus funding to spur spending when
543 supply could not keep up. The Biden-Harris climate agenda
544 has focused on undermining domestic energy production,
545 causing energy costs to rise. Everything grown,
546 manufactured, produced, packaged, and transported depends on
547 energy. And as energy prices rise, consumers are paying
548 more.

549 We have seen the Administration cancel pipelines, take
550 hundreds of thousands of acres off line for drilling,
551 institute restrictive new environmental standards that raise
552 the cost of drilling. And interestingly, there is this new
553 carbon-reducing regulatory agenda that forces households to
554 switch to costly appliances. Americans are paying 34 percent
555 now more for appliances compared to 15 years ago. But by

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556 targeting 15 consumer appliances, everything from stoves to
557 refrigerators, air conditioners, ceiling fans, dishwashers,
558 Americans are left with fewer options, and the upfront cost
559 of installing these new appliances would be cost prohibitive
560 to too many households who would forgo any purported energy
561 savings.

562 Really, how can policymakers demand that an average
563 household pay an additional \$9,000 to retrofit their home
564 with these alternative appliances when they are barely
565 treading water and are choosing between food and heating
566 their home?

567 We need to restore the American middle class to
568 prosperity, bring prices down, and that starts with economic
569 growth that leads to sustained real wage growth, not just
570 nominal, and also policy reforms that rein in fiscal spending
571 and burdensome regulations, especially on energy.

572 Thank you.

573 [The prepared statement of Ms. Onwuka follows:]

574

575 *****COMMITTEE INSERT*****

576

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577 *Mr. Duncan. Thank you for your testimony. I now
578 recognize Ms. Pryor, whose farm area is right above my
579 district, just across the North Carolina line.

580 So Ms. Pryor, you are recognized for five minutes.

581

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582 STATEMENT OF LINDA PRYOR

583

584 *Ms. Pryor. Chairmen Duncan, Rodgers, Ranking Member
585 DeGette and Pallone, members of the committee, thank you for
586 having me. My name is Linda Pryor. I am a third-generation
587 farmer in western North Carolina. We primarily grow apples
588 and corn, along with hay and beef cattle. In addition to
589 being a farmer, I am a wife, mother, and the primary grocery
590 shopper for my family.

591 As the USDA numbers released last week show, this will
592 be the second consecutive year of negative growth for farmers
593 and ranchers. The agricultural sector is facing
594 unprecedented challenges due to rising costs to operate,
595 particularly increased petroleum prices. These costs impact
596 more than what we pay at the gas pump; they also increase the
597 cost of crop inputs like seed and fertilizer, farm machinery
598 parts, produce packaging, and other essentials.

599 Farmers are experiencing financial hits from both ends
600 of the production process. Our input costs are significantly
601 higher than they were just a couple of years ago. Even when
602 adjusting for inflation, farm expenses are up 9.5 percent
603 going back to 2019. But the price that our buyers are

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604 willing to pay for the food that we grow has not kept pace
605 with our production cost increases.

606 One of the primary drivers of the increased cost is
607 energy. Expensive energy makes everything else consumers
608 want and need more expensive. We need affordable and
609 reliable long-term energy solutions for farmers to ensure
610 that grocery shelves remain stocked with affordable options
611 for American families.

612 The cost to run my family's farm has surged over the
613 last few years. The fuel cost increase to operate our
614 equipment and trucks has created a noticeable hardship for my
615 farm since 2021, when we spent \$57,000 for diesel and
616 gasoline compared to what we spent last year, which was
617 \$83,600 for the same amount of diesel and gasoline. Fuel
618 prices have increased nationally by close to 30 percent since
619 2021, while the sale price for my corn and apples has
620 actually decreased since 2021. This disparity threatens the
621 economic sustainability of American farms.

622 According to USDA, 70 percent of agricultural products
623 are dependent on trucking. But on my farm 100 percent are
624 dependent on trucking, both to receive the materials that we
625 need to operate and to move our crops off the farm. Trucking

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626 fresh produce requires dependable, on-demand energy to
627 operate. Once apples are harvested, they must be moved
628 quickly to avoid deterioration. And the apples that I grow
629 go to multiple outlets. The over 5 million pounds of apples
630 that we grow travel an average of 775 miles to their first
631 destination.

632 During harvest season we operate up to 3 tractor
633 trailers ourselves, and truck the 150,000 bushels of corn
634 that we grow. Those trucks will leave our farm around 5:00
635 a.m., travel 208 miles round trip to the mill in Newberry,
636 South Carolina, then returned to move the corn out of the
637 field as it is harvested, transport it to our bins for
638 storage, and reload for the next morning to do it all again.
639 These trucks average 14-hour work days, and a minimum of 250
640 miles per day. Using diesel allows us to keep moving
641 throughout those long days, rather than having to figure out
642 how and when to charge an electric truck. The rural nature
643 of farming means that we rarely have access to a location
644 where electric trucks or equipment could be charged, and
645 tractors and equipment often stay in a field or orchard for
646 several days at a time.

647 Additionally, when farmers make large equipment

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648 purchases they intend to operate this machinery for many
649 years, and many need to be able to maintain the equipment
650 themselves. The idea of having to purchase new equipment
651 that would be too complex to maintain on the farm is out of
652 the question for many farmers.

653 Solar presents its own challenges, one of them being
654 farmland loss. With less farmland we must be creative to
655 ensure that we keep up with the task of feeding America.
656 Less productive agricultural land drives the value of the
657 remaining land up even further, which can be a barrier to
658 getting into agriculture for young farmers looking to start
659 their own farms. And the increased value also impacts farms
660 that are competing for lease land.

661 Addressing trade imbalances by supporting domestic
662 production and processing could help American farmers compete
663 with less expensive imports. Policies that incentivize the
664 consumption of domestically grown and processed products
665 would strengthen local economies, decrease the overall impact
666 on the environment, and reduce reliance on the energy-
667 intensive imports that I compete against from Chile, Turkey,
668 and China.

669 On my farm we do many things that take more time and

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670 incur more expense to ensure we are responsible stewards of
671 the land and minimize our carbon footprint like planting
672 cover crops, rotational grazing, using no-till methods, and
673 minimizing grain handling as much as possible. Annually, our
674 orchards alone sequester up to 2,500 tons of carbon dioxide,
675 release about 2,000 tons of oxygen into the atmosphere, and
676 have significant cooling effects.

677 Farmers need affordable and reliable energy solutions.
678 The rising cost of energy and other inputs ripple through the
679 entire food chain, from the farm fields to the grocery store
680 shelves.

681 Thank you for having me.

682 [The prepared statement of Ms. Pryor follows:]

683

684 *****COMMITTEE INSERT*****

685

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686 *Mr. Duncan. Thank you for your testimony. I now
687 recognize Mr. Higgins for five minutes.
688

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689 STATEMENT OF TREVOR HIGGINS

690

691 *Mr. Higgins. Good morning. My name is Trevor Higgins
692 with the Center for American Progress. Thank you, Chair
693 Duncan and Ranking Member DeGette, for this opportunity to
694 provide testimony on clean and affordable energy investments
695 about two years now after the Inflation Reduction Act was
696 passed.

697 Since this groundbreaking legislation became law in
698 August of 2022, overall inflation has slowed by 2/3. And the
699 new numbers this morning, I can't even keep up with them in
700 my testimony, they are even better. As of this morning,
701 annual CPI is at 2.5 percent. It is the lowest in three
702 years. Grocery price inflation in particular had slowed by
703 9/10. That is now 100 percent. Energy price inflation has
704 not only slowed, but fully reversed and dropped seven or
705 eight percent. Meanwhile, wages have risen by more than
706 eight percent, far outpacing inflation. This is an
707 exceptionally strong record. The Inflation Reduction Act is
708 truly living up to its name.

709 Today I would like to highlight a few of the ways the
710 law's strategic investments are driving economic growth,

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711 creating new opportunities for the middle class, and lowering
712 energy costs. I will also highlight the severe consequences
713 of potential repeal.

714 First, in the last two years, according to the Clean
715 Investment Monitor that is maintained by the Rhodium Group
716 and MIT, total U.S. investment in domestic clean energy
717 manufacturing has quadrupled. These investments are
718 preparing the U.S. to remain competitive in the clean energy
719 economy. And that is not only good for economic growth and
720 competitiveness. Clean energy investments are a key strategy
721 in the fight against inflation. They shield the economy from
722 the price volatility of fossil fuels.

723 As a recent report from Energy Innovation has
724 documented, states that are investing in clean electricity
725 have seen less increase in electricity prices than the states
726 who have remained most dependent on natural gas. Take Texas,
727 for example, where wind and solar have saved \$11 billion in
728 wholesale electricity costs in 2022 alone. Clean electricity
729 has become the most affordable source of energy there is, and
730 these investments are getting it built.

731 Second, new investment programs are directly supporting
732 families and communities who want to make the switch to

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733 electricity and improve energy efficiency. For example,
734 Federal tax credits and rebates are now available for people
735 who purchase an electric vehicle, which then goes on to save
736 families since it costs less than half as much to maintain or
737 drive an EV as a gasoline-powered car. There are new rebates
738 for people who install efficient home heat pumps, which can
739 save typical families anywhere between \$60 and \$840 every
740 year, depending on the type of fuel they were using before.

741 Grants, loans, green banks, direct-pay tax credits, they
742 are making it possible for local libraries to add rooftop
743 solar, for small businesses to fix up energy efficiency of
744 their storefronts, for school districts to buy pollution-free
745 school busses, for retrofitting affordable housing apartments
746 with updated equipment. This upfront financial support is
747 making it affordable for people from all walks of life to
748 participate in the clean energy future if they choose to.

749 And even households who are not ready to make the switch
750 to electricity, they can still see major savings from the
751 economy-wide transition to clean energy. Under current
752 policy, demand for fossil fuels could decline in the United
753 States by as much as 16 percent for petroleum and 20 percent
754 for natural gas over the coming decade. When demand falls,

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755 prices falls -- prices fall, and that benefits everyone as
756 long as it is not counteracted by exporting the gas overseas.

757 The overall effect of these policies is to shift the
758 economy toward clean and affordable energy. Under current
759 policy, household energy costs are on course to drop by a
760 third in 2035. That is an annual savings of roughly \$2,000
761 per household. It turns out that clean air pollution
762 standards, energy efficiency appliance regulations, clean
763 energy investments are unmistakably strong tools in the fight
764 against inflation.

765 Unfortunately, there are plans and ongoing efforts to
766 repeal the Inflation Reduction Act. Project 2025's plans
767 would cause 750,000 direct job losses in 2030, if
768 implemented. These plans would raise electricity prices,
769 prolong dependence on gasoline, and reverse the trajectory
770 towards lower energy costs that I referenced. Instead, we
771 would see increased annual household energy spending above
772 even the pre-IRA numbers. Worse, it would lock the United
773 States into continued greenhouse gas emissions of more than
774 four-and-a-half gigatons forever.

775 Among the many consequences of climate change, given the
776 topic of this hearing, the one I want to point out is that

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777 climate change also raises costs. Already, at current levels
778 of warming, insurance premiums are up by a third between 2020
779 and 2023. Extreme weather is a major determinant of food
780 prices, and extreme heat is costing \$1 billion in extra
781 health care costs every summer.

782 I am grateful to the members of the 117th Congress,
783 whose leadership in enacting the Inflation Reduction Act has
784 so successfully channeled our country's limitless industry
785 into raising wages, lowering prices, and fighting climate
786 change. Thank you.

787

788

789 [The prepared statement of Mr. Higgins follows:]

790

791 *****COMMITTEE INSERT*****

792

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793 *Mr. Duncan. Thank you for testimony. The gentleman
794 yields back. I will now recognize Mr. Fisher for five
795 minutes.
796

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797 STATEMENT OF TRAVIS FISHER

798

799 *Mr. Fisher. Good morning, Chair Duncan, Ranking Member
800 DeGette, and distinguished members of the subcommittee. I am
801 Travis Fisher, I am the director of energy and environmental
802 policy studies at the Cato Institute. Cato is a non-partisan
803 public policy research organization in Washington, D.C. that
804 promotes individual liberty, limited government, free
805 markets, and peace. It is an honor to speak with you today
806 about the impact of the Biden-Harris Administration's energy
807 policies on the affordability and security of energy for
808 American families and businesses.

809 Unfortunately, bad energy policy has put the United
810 States in a very weak position. American families face
811 rising utility costs and increased strain on household
812 budgets. American businesses, especially the energy-
813 intensive industrial sector, face an uncertain energy future
814 and unnecessary delays. For residential and industrial
815 consumers alike, I am concerned about whether new energy
816 supplies can reliably meet rising demand. And the stakes are
817 high. We have to remember the definition of energy in
818 physics: the ability to do work. Energy policy is too

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819 important to get wrong, yet that is precisely what I have
820 witnessed in recent years.

821 As I see it, there are two completely different paths
822 forward regarding energy policy in the United States. The
823 first, which I support, is to embrace American values and
824 foster an energy industry that harnesses entrepreneurship and
825 free market competition to best serve the interests of
826 consumers. This path recognizes the fact that the majority
827 of Americans are unwilling to sacrifice their well-being on
828 behalf of a top-down energy transition. The second, which is
829 the path that the Biden-Harris Administration has chosen, is
830 to force a transition to politically-favored technologies
831 that consumers don't want. Taking the second path puts
832 politics over physics, and I can't support it.

833 Specifically, I want to highlight three major executive
834 branch policies that lie along this path. Each one harms the
835 reliability and affordability of energy in the United States.

836 First is the Inflation Reduction Act, or IRA. The
837 subsidies in the IRA for wind, solar, and batteries alone
838 could cost American taxpayers \$3 trillion by 2050. Those tax
839 credits are not only irresponsible in light of our fiscal
840 situation, but also distort the market signals that bring

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841 supply from more reliable energy sources.

842 Second is the regulatory overreach coming from the
843 Environmental Protection Agency, or EPA, including emissions
844 regulations for vehicle tailpipes and power plants. These
845 rules mandate technologies that Americans don't support.
846 They also violate the Major Questions Doctrine, meaning the
847 EPA doesn't have clear authority from Congress to enact them.

848 Between the IRA subsidies and the EPA rules, I would
849 summarize the Administration's power grid policy as this:
850 green the grid and brace for blackouts.

851 Third is the set of arbitrary decisions across many
852 agencies to put the current Administration in the role of a
853 central planner for the oil and gas industries. The
854 Administration calls this a whole-of-government approach. As
855 one example, earlier this year the Department of Energy
856 decided on a whim that it would pause approvals to export
857 liquefied natural gas. Another example is using the
858 Strategic Petroleum Reserve to score temporary points among
859 voters around election time. Yet another example is the
860 Securities and Exchange Commission attempting to become a
861 climate regulator.

862 As a consequence of this whole-of-government opposition

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863 to a wide range of energy resources, Americans have seen the
864 cost of energy rise. This is a significant problem because
865 higher energy costs are regressive and raise the cost of
866 everything. Food, transportation, other basic goods and
867 services require energy as an input. When energy costs rise,
868 those increased costs show up in every part of the economy.

869 The American people want reliable energy at low cost,
870 and policymakers should listen. We need policies that make
871 energy easier to produce, more affordable for American
872 families and businesses. In living rooms across the country,
873 access to low-cost energy can make the difference between
874 light and darkness. It is not too late to stop the coming
875 energy crisis because it is a crisis caused by unwise
876 policies, and we can reform them. Energy can be a bright
877 spot in the American economy if we let it. I urge you to
878 choose the path that will lead to a bright future for
879 America. Thank you.

880 [The prepared statement of Mr. Fisher follows:]

881

882 *****COMMITTEE INSERT*****

883

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884 *Mr. Duncan. The gentleman yields back, and I want to
885 thank you all for your testimony. We will now move into the
886 question-and-answer portion of the hearing, and I will begin
887 questioning and recognize myself for five minutes.

888 From gasoline to groceries, everything is more expensive
889 under the Biden-Harris Administration. Republican members of
890 the subcommittee have been sounding the alarm. Record high
891 energy prices, record high housing costs, record high credit
892 card debt. We have explored these issues in depth with
893 individual hearings, and we are going to delve more into it
894 today.

895 So Ms. Onwuka, persistent inflation and record high
896 energy prices are hurting families and businesses, and it is
897 placing even heavier burden on low-income and rural
898 households. Do you believe that the Biden-Harris
899 Administration's policies are to blame?

900 *Ms. Onwuka. Thank you for your question. I do. I do
901 believe that the Biden-Harris Administration, from the start
902 of their Administration, have implemented fiscal and economic
903 policies that have certainly driven -- and energy policies
904 that have led inflation to skyrocket to what it was.

905 Let's not forget that the American Rescue Plan Act, it

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906 passed in 2021, mid-2021. We had economic Obama
907 Administration economists like Larry Summers warning that
908 this would touch off generation-high inflation. We often
909 hear that inflation was driven by Vladimir Putin invading
910 Russia. That wasn't until 2022. But by mid-2021, inflation
911 was already rising.

912 And let's not forget that at the start of 2021 inflation
913 was just 1.4 percent, well below the Federal Reserve's 2
914 percent target rate. So when you are targeting economic
915 policy, massive fiscal spending that continues, as well as,
916 you know, the impact on energy, the policies around energy,
917 that is going to have an impact. And I think that is
918 continuing.

919 *Mr. Duncan. Yes. You are an economist. Is it fair to
920 say that increased government spending is a driver of
921 inflation?

922 *Ms. Onwuka. Absolutely, it tends to be. And let's not
923 forget that when you introduce, you know, trillions of
924 dollars of Federal spending, the money has to come from
925 somewhere, and that involves monetary policy where you are
926 literally printing money to support this Federal spending.

927 And so I think Americans are beginning to realize that

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928 injecting the economy with trillions of dollars of Federal
929 spending when the economy was already recovering, jobs were
930 already returning, businesses like these small businesses
931 were already trying to meet the demand, the supercharged
932 demand, inflation is the result of that. It was not the time
933 for additional fiscal spending.

934 *Mr. Duncan. We have talked a lot about, basically,
935 transportation fuels, input cost, but also the premature
936 retirement of generation around the country and a push toward
937 certain energy sources has driven utility costs up. Isn't
938 that fair to say?

939 *Ms. Onwuka. Absolutely. As I mentioned, the increase
940 in utility costs for households has been, you know,
941 remarkable, over 50 percent in certain fuel costs, for
942 example, or -- let's see here, 36 percent for heating oil, 32
943 percent for electricity, and natural gas up 25 percent. But
944 all together, the American household is not just weakened by
945 inflation. It is also the high cost for borrowing, the high
946 credit card bills, the high mortgage payments. All of this
947 feeds into a weakened family financial position.

948 *Mr. Duncan. Yes. Thank you for that.

949 Ms. Pryor, American farmers have faced unprecedented

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950 challenges over the last four years -- you were very clear in
951 your testimony -- due to rising energy costs and all the
952 costs for -- input costs, transportation costs, et cetera.
953 How does it feel to hear Vice President Harris and Democratic
954 colleagues playing [sic] the blame on farmers and grocery
955 stores for price gouging?

956 *Ms. Pryor. It is disheartening, because we don't have
957 any say over what a grocery store charges. And as I
958 mentioned in my opening, our prices that we are paying for
959 our crops have actually --

960 *Mr. Duncan. You are told what someone would pay for
961 your apples, right?

962 *Ms. Pryor. We are price takers, not price makers. The
963 choice is take it or leave it, not, "What do you want your
964 price to be?'"

965 *Mr. Duncan. Yes, that is exactly right. How do high
966 electricity prices impact your farm?

967 *Ms. Pryor. So in North Carolina one of the changes
968 that has occurred is the -- I will tell you exactly the name
969 -- the North Carolina Renewable Energy Standard, which
970 requires -- so in our area, Duke Energy is our only option
971 for power. They meet up to 12 percent of their energy needs

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972 through renewable energy resources, or energy efficient
973 measures. What seemed like could be beneficial once they put
974 that in place and I opened my power bill, there was a
975 renewable energy rider that was to compensate for that
976 expense that they incurred to do that. So they are not
977 making a profit off of that, but they are passing it on to
978 the customers. So it is -- ends up costing the customer more
979 for them to be able to meet that mandate.

980 *Mr. Duncan. Thank you for that.

981 Mr. Fisher, real quickly, what is driving the 800
982 percent increase in PJM's capacity prices?

983 *Mr. Fisher. The short answer is supply and demand.
984 Supply is being reduced by policies like I mentioned, with
985 the EPA shutting down a significant swath of power plants.
986 Demand is rising.

987 And one sort of nerdy add-on to the question is that PJM
988 finally right-sized the capacity contribution of the
989 intermittent resources. So all those changes together, we
990 still need the power, it is growing. So prices are only
991 going to go up.

992 *Mr. Duncan. Yes. My time has expired. I will now
993 recognize the Ranking Member DeGette for five minutes.

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994 *Ms. DeGette. Thank you so much.

995 Ms. Pryor, first of all, I want to assure you that,
996 contrary to what the chairman said, the Democrats are not
997 blaming farmers for high food prices. Now, grocery stores
998 and chains, it is a different story, and I know my colleague,
999 Ms. Schrier, is going to talk about that a little bit.

1000 Secondly, you really, I thought, persuasively described
1001 how your trucks have to drive long hours to take the corn to
1002 the processing plant, and that they use diesel for that. Is
1003 that right?

1004 *Ms. Pryor. Yes, ma'am.

1005 *Ms. DeGette. And I just want to know. Has any
1006 government -- either your local, state, or Federal Government
1007 -- mandated that you shift to electric vehicles, yes or no?

1008 *Ms. Pryor. I don't know of any current mandates, no.

1009 *Ms. DeGette. Yes, there is no mandates. And I am here
1010 to tell you, even if I have the gavel next time I am not
1011 going to make a mandate for you to shift to electric
1012 vehicles.

1013 The other thing I just want to point out is I had staff
1014 pull the prices because high fuel prices do add to the cost
1015 of groceries, and they do add to farmers' costs. So in 2022,

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1016 right after the huge spike and rise of fuel by the oil and
1017 gas companies, diesel was 5.81 a gallon. A year ago it went
1018 down to 4.54 a gallon. And today diesel is 3.56 a gallon.
1019 And I think it should be lower, but at least we are going in
1020 the right direction.

1021 Now, Mr. Fisher, I wanted to ask you, you contributed to
1022 Project 2025, correct?

1023 *Mr. Fisher. That is correct.

1024 *Ms. DeGette. And I want you to just confirm to me,
1025 since you were one of the authors of Project 2025, that 900-
1026 page proposal calls for the elimination of the Office of
1027 Energy Efficiency and Renewable Energy, the Office of State
1028 and Community and Energy programs, and the Loan Programs
1029 Office. Correct?

1030 *Mr. Fisher. I believe that is correct, but I also want
1031 to clarify that I contributed more to the section on FERC
1032 than --

1033 *Ms. DeGette. Okay, but -- so yes or no, did it -- does
1034 it propose eliminating those?

1035 *Mr. Fisher. I believe that is true.

1036 *Ms. DeGette. Okay. Now, we have also heard a lot
1037 about how Project 2025 seeks to consolidate power in the

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1038 White House, and wholly eliminate longstanding programs that
1039 don't support Republicans' fossil fuel agenda. So Mr.
1040 Higgins, I want to ask you a couple questions.

1041 Mr. Fisher did confirm, sort of weakly, that Project
1042 2025 calls for the elimination of EERE, SEEP, and LPO. By
1043 the way, that is on pages 379 and 369 of Project 2025, if
1044 anybody is uncertain. So I want to ask you, Mr. Higgins,
1045 about the impact which eliminating those offices and programs
1046 would have.

1047 *Mr. Higgins. It is really an extraordinary proposal to
1048 eliminate the very programs that are helping to make sure
1049 that we have the technologies that we need to reduce costs,
1050 to invest in the future.

1051 The loans program has supported 47,000 new jobs already.
1052 It was critical in supporting the Ford Motor Company through
1053 the 2008 crisis. It helped today to make it possible for new
1054 investments in clean steel in Ohio.

1055 It is not just LPO; EERE does the research on energy
1056 efficiency. The Office of Clean Energy Deployment is for
1057 clean manufacturing demonstration, which is also supposed to
1058 be eliminated under the Project 2025 plans. These are
1059 extraordinary proposals.

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1060 *Ms. DeGette. And so, if they did that, what effect,
1061 briefly, would the cuts have on the prices that American
1062 consumers pay?

1063 *Mr. Higgins. It would raise prices to take away
1064 options for clean energy alternatives.

1065 *Ms. DeGette. Okay. I was pleased to recently see
1066 companies like Florida Power and Light, DTE Energy, and Xcel
1067 announce millions in consumer savings, thanks to the
1068 Inflation Reduction Act. So Mr. Higgins, I want to ask you,
1069 how much money do estimates show the Biden-Harris IRA will
1070 save American families on their electricity bills?

1071 *Mr. Higgins. Electricity bills can be cut by up to
1072 seven percent, according to resources --

1073 *Ms. DeGette. I am sorry. What did you say?

1074 *Mr. Higgins. Up to seven percent.

1075 *Ms. DeGette. Seven percent.

1076 *Mr. Higgins. And overall, it will save households --
1077 we are on target to cut \$2,000 per year over --

1078 *Ms. DeGette. Two thousand dollars per year.

1079 Now, did the Bipartisan Infrastructure Law include
1080 funding for initiatives like the Low-Income Home Energy
1081 Assistance Program, which lowers monthly energy bills for

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1082 lower-income Americans. and keeps homes safe during colder
1083 months?

1084 *Mr. Higgins. Yes, it did. There was funding for the
1085 LIHEAP program that you just mentioned, as well as
1086 Weatherization Assistance. And in the Inflation Reduction
1087 Act there are new tax credits and rebates so that low-income
1088 households who want to improve their energy efficiency can
1089 actually see 100 percent of their costs covered as these get
1090 rolled out through the states.

1091 *Ms. DeGette. So Mr. Chairman, I just want the record
1092 to reflect that not -- even though all of my colleagues on
1093 your side of the aisle say that they are concerned about
1094 costs of utilities for consumers, not one person on this
1095 committee, not one Republican, voted for the IRA.

1096 I yield back.

1097 *Mr. Duncan. The gentlelady yields back. I now
1098 recognize Mr. Walberg for five minutes.

1099 *Mr. Walberg. I thank the chairman, and thanks to the
1100 panel for being here.

1101 And there was a reason we didn't vote for the IRA, and I
1102 am glad I didn't and would vote the same way again.

1103 Our constituents are struggling under the Biden-Harris

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1104 Administration's policies. Energy prices have never been
1105 higher. That is a fact. Combined with record high
1106 inflation, people are having to make the choice between
1107 heating their homes, filling up their cars, or putting food
1108 on the table. Those are facts.

1109 Michigan families have been hit particularly hard. We
1110 have the highest residential price per kilowatt hour of any
1111 state in the Midwest. In fact, we have higher prices than 75
1112 percent of the country. This is unsustainable, and
1113 Michigianians deserve much better than that. And that is a
1114 fact.

1115 As is their excuse for all high costs, the
1116 Administration will claim that this is because of price
1117 gouging. But the facts show that that is not the case.
1118 States like California take significantly more money from the
1119 cost of gas than refiners' profits do. As of last week,
1120 \$1.40 alone went to taxes, environmental initiatives, and
1121 unnecessary fees in the state. Plain and simple,
1122 unaffordable prices are the fault of the Biden-Harris
1123 Administration's anti-American energy policies and their
1124 inflationary spending.

1125 Some of those policies include a forced transition to

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1126 less reliable technologies. We have seen it with the EV --
1127 and yes, I will say mandates, because if the standard is set
1128 so high that you have to go the direction, it is a mandate,
1129 we can use word salads on that but it is still a mandate --
1130 and with regulations out of the EPA that force closures of
1131 affordable, reliable generation.

1132 Ms. Pryor, can you speak to how a transition to electric
1133 vehicles could impact costs and the ability for you and
1134 farmers like you to run your businesses?

1135 And second, what does that mean for the cost of food?

1136 *Ms. Pryor. Like I tried to explain, I know it is
1137 difficult for people to imagine, you know, those long hours
1138 and running equipment for that length of time. But with any
1139 crop, the corn that we are using the trucks for long hours or
1140 any other crop, time is of the essence and you are competing
1141 against the weather or any other event that could happen. So
1142 you can't wait, especially if it is a perishable crop.

1143 So being able to operate for long hours and not have to
1144 stop -- once apples are loaded on a truck they can't sit in
1145 the sun, or they can't sit in heat or even extreme cold,
1146 where they could be below freezing. So to have a truck
1147 loaded and then be hauling them from North Carolina to

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1148 Michigan, where a lot of hours go to processing, that is a
1149 long trip. And if they had to stop in either extreme heat or
1150 cold to charge, it would be detrimental to the fruit that
1151 they are hauling.

1152 *Mr. Walberg. Yes, yes. I mean, the haylage that is
1153 going past my house right now, and silage, they can't wait.
1154 The trucks that -- just fly past my house, and they are
1155 coming back ready for the tractor, ready for the unloading.

1156 *Ms. Pryor. And that is what -- so with corn, you know,
1157 you have -- your combine bin is full or your grain cart is
1158 full, you are stopped until you can offload onto that truck.
1159 And for our farm -- and I know a lot of other fellow farmers
1160 -- we don't have the option of, well, we will just have
1161 multiple trucks so if one is charging we will run our other
1162 one. That is a huge expense. We have exactly the amount
1163 that we need. So we don't have a spare to be charging.

1164 *Mr. Walberg. You are just-in-time industry, that is
1165 for sure.

1166 Mr. Fisher, in your testimony you discuss how the IRA
1167 isn't the boon to reliable American energy that it is sold
1168 as, but it actually threatens the power grid, due to its
1169 reliance on subsidies and intermittent renewables. Can you

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1170 unpack that for me and our committee a little bit further?

1171 *Mr. Fisher. Yes, so the Inflation Reduction Act is a
1172 series of subsidies. It was -- if you -- the thought
1173 experiment is you take something like the Green New Deal and
1174 squeeze it through a budget package. It is just subsidies.
1175 And what subsidies for intermittent resources do is they
1176 distort price signals.

1177 So in the U.S., power plants have to make money. If you
1178 are a coal-fired power plant, a gas-fired power plant you
1179 need the market signal to produce and to stay online. What
1180 the subsidies do is not only force more of the intermittent
1181 resources than would show up otherwise, but also cuts into
1182 that revenue. So then what you see is those plants start
1183 closing, prices start going up, or you see even the -- the
1184 reaction to that is basically you have -- then you have to
1185 subsidize the reliable plants, too. So it is a subsidy game
1186 that just -- it snowballs.

1187 *Mr. Walberg. It never ends.

1188 My time has expired. I yield back, Mr. Chairman.

1189 *Mr. Pfluger. [Presiding] The gentleman yields. The
1190 chair now recognizes the ranking member of the full
1191 committee, the gentleman from New Jersey, Mr. Pallone.

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1192 *Mr. Pallone. Thank you, Mr. Chairman. I want to ask a
1193 question about some of the proposals in Trump's Project 2025.

1194 The chapter on the Department of Energy is a Republican
1195 wish list of closed offices and shuttered programs, and you
1196 really don't see anything that would help reduce energy
1197 prices for Americans or combat the climate crisis. So we
1198 know that these extreme cuts will drive up costs for
1199 Americans, but I want to get into some of the details here.

1200 Trump's Project 2025 specifically calls for the
1201 elimination of energy efficiency standards for appliances.
1202 And as we know, this has been a major priority for
1203 Republicans this year, so I am not surprised to see it
1204 spelled out in Project 2025, but let me ask Mr. Higgins.

1205 Can you please elaborate on how the elimination of
1206 efficiency standards for appliances will actually increase
1207 energy costs for consumers?

1208 *Mr. Higgins. Yes, thank you for the question.

1209 The Department of Energy's recently finalized standards
1210 for air conditioners, heat pumps, dishwashers, refrigerators,
1211 when you add those together the cost savings for households
1212 and businesses is roughly \$1.9 billion per year. If we got
1213 rid of the tools that raise the standards on appliance

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1214 manufacturers, we would wind up with more costly appliances
1215 that consumers would be forced to accept.

1216 *Mr. Pallone. Well thank you. I mean, essentially,
1217 Republicans claim to care about energy costs, but they are
1218 opposed to anything that actually reduces energy bills.

1219 So let me go to a second question that I alluded to
1220 earlier in my opening. I want to talk about the collusion
1221 allegations that the FTC has presented against Scott
1222 Sheffield, the former CEO of America's largest independent
1223 oil producer. So Mr. Higgins, could you talk about the
1224 pocketbook impact to Americans if oil companies were
1225 colluding with OPEC to keep crude oil and gasoline prices
1226 high?

1227 *Mr. Higgins. Yes, it was an extraordinary story to
1228 learn that there were explicit messages talking about the
1229 desire to keep prices high. This was at a time when Russia
1230 had just invaded Ukraine. And in just two weeks time the
1231 price of a gallon of gasoline in the United States jumped
1232 \$0.50. That was extraordinary. And it is because, although
1233 the crisis in Europe didn't raise domestic production costs,
1234 it did raise global price of oil. And that meant oil
1235 companies in the United States could profit off of the

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1236 difference. And the people who paid the bill were American
1237 consumers.

1238 So in that time period that one year, the global fossil
1239 fuel industry earned record profits of over \$400 billion.
1240 And here in the United States oil companies were not using
1241 that money to reinvest in production, to boost supplies. In
1242 fact, the allegations that the FTC is looking into look at
1243 the statements they were making at the time about how they
1244 didn't want to be raising production because they were
1245 enjoying those prices, and instead they took those profits
1246 and they poured them back into stock buybacks and dividends,
1247 more than \$46 billion between 2021 and 2022, those 4
1248 quarters.

1249 This is just an extraordinary opportunity for the oil
1250 and gas industry to profit off of fossil fuel price
1251 instability at the expense of the American consumers. And if
1252 we can finish the transition to clean energy, we don't have
1253 to be susceptible to that price volatility anymore.

1254 *Mr. Pallone. Well, thank you. I have one more
1255 question, Mr. Higgins. The Biden-Harris Administration has
1256 taken a number of steps to lower energy costs for American
1257 families, including programs created by the Inflation

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1258 Reduction Act. Can you talk about some of the programs that
1259 are now making a difference in reducing energy costs?

1260 *Mr. Higgins. Yes. So the investments in clean
1261 electricity, which is the cheapest way to produce
1262 electricity, are being built because of these investments.
1263 That is driving down the average cost of electricity
1264 generation and helping to combat the price increases we would
1265 see due to all of the new load that is coming onto the
1266 system.

1267 At the same time, these programs are making it more
1268 affordable for households to be able to make the switch if
1269 they choose to. So that includes the new home energy rebates
1270 programs which are just now being rolled out through the
1271 states, and they provide up to 100 percent of the costs for
1272 low-income households to switch to heat pumps, which can have
1273 a savings of up to \$860 per year because it is so much more
1274 efficient than old electric resistance heaters or even
1275 natural gas furnaces.

1276 That is just one of the many programs here that is
1277 making it possible for people to participate in the clean
1278 energy economy.

1279 *Mr. Pallone. Well, I appreciate that. Again,

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1280 Republicans say they are supporting lowering costs for
1281 American families, but they voted more than 50 times to
1282 repeal parts of the Inflation Reduction Act that are actually
1283 lowering energy costs. So Democrats are going to continue to
1284 fight these Republican efforts, and will instead look to
1285 build upon the action that we took with the Inflation
1286 Reduction Act.

1287 Thank you, Mr. Chairman, I yield back.

1288 *Mr. Pfluger. The gentleman yields. The chair now
1289 recognizes the full committee chairwoman, the gentlelady from
1290 Washington, a champion for truth, Mrs. Rodgers.

1291 *The Chair. There we go. Thank you, Mr. Chairman. And
1292 the truth is energy costs are increased across the board,
1293 directly driving inflation.

1294 Ms. Onwuka, I wanted to start with you. The ability of
1295 families to feel secure in their finances is so important to
1296 all of us and many Americans across the country. It is the
1297 sense of stability. The last four years have brought record
1298 levels, high levels of interest rates, borrowing costs.
1299 Housing is feeling more out of reach to young Americans. Add
1300 to this the cost of energy, and it affects the cost of other
1301 goods and services. It is one of the biggest drivers of the

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1302 record inflation, and it is causing serious problems.

1303 Would you please speak about the combined impacts of
1304 high interest rates, inflation, high energy costs on the
1305 ability of families to feel secure, look to the future, and
1306 if there is any policies from this Administration that you
1307 believe have led us to this place?

1308 *Ms. Onwuka. Thank you, Chair Rodgers.

1309 You know, I began my remarks earlier just painting a
1310 picture of where the financial household situation for a lot
1311 of families are right now, and it is in a tenuous financial
1312 position.

1313 I have mentioned the fact that personal savings have
1314 fallen by \$3 trillion, average households have lost \$2,000 of
1315 purchasing power.

1316 Real wages have actually fallen for -- have been
1317 negative for 25 months in a row. Real wages, not nominal,
1318 real, what people actually feel and take home every day.

1319 Collective credit card balances is at a high of \$1.1
1320 trillion. This is average across the United States.

1321 But when you drill down on low-income families, on a lot
1322 of low-income Black families, you see these families are
1323 struggling to make tough choices. When 44 percent of

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1324 households living near the poverty line are choosing between
1325 food and keeping warm or keeping cool in a year, it exposes
1326 that not only are prices high, but people are struggling and
1327 they are straining.

1328 And then there is also a larger sense that the American
1329 dream, the facets of buying a house are -- tend to be out of
1330 reach. The idea of being able to afford a car or your --
1331 even your car payment is continuing to be out of reach. So
1332 that is where the American family is.

1333 And I always go back to the steps that we have seen when
1334 inflation took off in mid-2021, after the American Rescue
1335 Plan was enacted, we saw after that point large fiscal
1336 spending bills, whether you are talking about the Inflation
1337 Reduction Act, which President Biden recently -- yesterday, I
1338 believe, or two days ago -- admitted was really not about
1339 reducing inflation, it should have been named something
1340 differently.

1341 *The Chair. Thank you.

1342 *Ms. Onwuka. -- we recognized that the climate change
1343 investments are one thing --

1344 *The Chair. Thank you, yes.

1345 *Ms. Onwuka. -- but actual bread-and-butter issues,

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1346 where people are, is not where these energy policies or
1347 fiscal economic policies are really hitting and helping them.

1348 *The Chair. Thank you. Thank you for those insights.
1349 I have some more questions.

1350 Ms. Pryor, it is good to hear your perspective as a
1351 working farmer. I understand that you grow apples as a part
1352 of your business. I grew up on an apple orchard in eastern
1353 Washington, so I appreciate what you do. I wanted to ask
1354 you. American families are understandably concerned about
1355 the high cost of food. Would you speak to the -- how high
1356 costs are passed through the supply chain?

1357 And any insights you want to give us as far as what --
1358 how energy costs prevent you from charging competitive prices
1359 to what China offers when it comes to concentrate for apples?

1360 *Ms. Pryor. So it is not my ability to charge. I have
1361 no ability to charge what my crops are worth. We are given a
1362 price. And we have a perishable product, so the choice is
1363 take it or leave it. It is not to negotiate after that price
1364 is given. It is a supply and demand issue. So if they can
1365 get their supply from elsewhere for cheaper, then -- and that
1366 makes economic business sense for them, that is what they are
1367 going to do.

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1368 We have no -- our food does not go directly to grocery
1369 stores. So for apples, we harvest them, pick them, we either
1370 take them somewhere where they are processed into an apple-
1371 containing product, or they are prepared, wash-packed to go
1372 directly to a grocery store for fresh.

1373 There is a lot of concentrate coming in from other
1374 countries. We do grow a lot of processing apples, mainly
1375 puree, and it is a problem that I see -- you know, that is
1376 our competition. I am not competing with Washington farmers,
1377 I am competing with other farmers in other countries.

1378 *The Chair. How does that impact food supply?

1379 *Ms. Pryor. You know, there is -- the supply is -- I
1380 don't -- as an American farmer, it is disheartening to me to
1381 think that we would be dependent on another country to feed
1382 our citizens. I want our citizens to be eating food that I
1383 am growing. I am very proud of what I do.

1384 And I also -- I know from -- you know, we had supply
1385 chain issues in 2020. We don't want to be dependent on
1386 another nation to feed us. We want to feed ourselves.

1387 *The Chair. Thank you. Thank you. Thank you all for
1388 being here. I have more questions, especially about why
1389 Washington State is paying among the highest grocery bills in

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1390 the nation, but I will have to follow up in writing.

1391 [The information follows:]

1392

1393 *****COMMITTEE INSERT*****

1394

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1395 *The Chair. I yield back.

1396 *Mr. Pfluger. The gentlelady yields. The chair now
1397 recognizes the esteemed gentleman from California, Mr.
1398 Peters.

1399 *Mr. Peters. Thank you, Mr. Chairman. The Biden-Harris
1400 Administration, through the IRA and the IIJA, has leveraged
1401 over \$600 billion in private investment in American energy
1402 and manufacturing. It is the largest investment in climate
1403 action in the history of the world. And we are here to talk
1404 today in part about the costs and benefits of these strong
1405 investments in America, but I also want to spend my time
1406 talking about the costs of inaction.

1407 Recent studies have found that the global cost of
1408 climate change stemming from extreme weather, increasing
1409 natural disasters, and other effects of a warming planet
1410 could reach \$3.1 trillion a year by 2050. So this includes
1411 the cost of damage to infrastructure, property, and public
1412 health. These costs will increase over time as the impacts
1413 of climate change become more severe.

1414 For example, one issue threatening my state and my
1415 district fueled by climate change is the rising threat of
1416 catastrophic wildfire. Wildfire and wildfire risk continues

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1417 to raise the cost of living, the cost of health care, and
1418 lower the quality of life for my constituents. Climate
1419 change, prolonged drought, and over a century of poor land
1420 management and over-suppression have led us to this point.
1421 As wildfires grow in frequency and in scale, people are
1422 feeling the harm not only on the environment, but in their
1423 wallets. Earlier this year insurance rates for California
1424 homeowners increased by an average of 34 percent. Utility
1425 wildfire prevention and mitigation costs are also approaching
1426 \$5 billion a year.

1427 We need a different approach, and I will just call the
1428 attention of this committee to my bipartisan Fix Our Forests
1429 Act, which passed out of the Natural Resources Committee on a
1430 voice vote, which provides the Forest Service, the state --
1431 and state and local and tribal agencies with the necessary
1432 tools and support and leeway to deal with the threat of
1433 wildfires. It also takes significant steps to harden
1434 communities and invest in innovative research and
1435 development, building off several recommendations from the
1436 Wildland Fire Mitigation and Management Commission.

1437 Every \$1 invested in reaching California's current
1438 forest management goals, residents get \$4 in return in

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1439 benefits. And each year California fails to meet these
1440 goals, residents pay \$4 billion in otherwise avoidable
1441 damages. We no longer possess the luxury of a wait-and-see
1442 approach to climate issues like wildfire. We need to take
1443 bold action because the costs of doing nothing are so steep.

1444 So Mr. Higgins, do you agree that the costs of doing
1445 nothing about climate change outweigh the costs of the
1446 action, particularly when we are talking about the
1447 investments that the Biden Administration has lined up?

1448 *Mr. Higgins. I strongly agree the risks of climate
1449 change are severe, potentially irreversible, and highly
1450 costly. And fighting climate change is a way to fight
1451 inflation.

1452 *Mr. Peters. And do you have a sense of the economic
1453 investment and -- of reversing the economic effect of
1454 reversing these investments, these investments in our future,
1455 which the former President has promised to do if he is
1456 elected?

1457 *Mr. Higgins. Yes. So the Energy Innovation has a
1458 great report looking at Project 2025. And if those proposals
1459 came to pass, it would cost 750,000 jobs directly; 1.7
1460 million jobs when you count indirect jobs also in 2035. It

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1461 would cut economic growth, it would raise electricity prices,
1462 it would prolong dependance on gasoline. It is a very
1463 difficult set of policies to contemplate.

1464 *Mr. Peters. Thank you. On a specific issue, if you
1465 are able to comment on it, catastrophic fire has become the
1466 largest single source of particulate pollution in the United
1467 States. It poses a major threat to communities, watersheds,
1468 and ecosystems. Are you able to address how climate threats
1469 -- for example, the threat of catastrophic wildfire -- is an
1470 economic and public health issue?

1471 *Mr. Higgins. Yes. So wildfires have, as we have all
1472 seen here on the East Coast, been impacting the world at an
1473 increasing rate. I think we are only now just catching up to
1474 the realization that Californians have had for a long time:
1475 climate change is causing harms today.

1476 So the average cost right now of wildfires, according to
1477 the Joint Economic Committee, was between 400 and \$900
1478 billion each year in economic costs and damages. That counts
1479 property damage, the direct and indirect deaths, health
1480 impacts from wildfire smoke, income loss, watershed
1481 pollution. These are very significant problems. And it is
1482 driving a home insurance affordability crisis. So insurance

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1483 rates are up a third over three years, nationwide. In
1484 California it has, obviously, been much more difficult. The
1485 rates rose between 2015 and 2021 800 percent.

1486 *Mr. Peters. Right. So using wildfire as an example,
1487 it is an illusion that we can avoid spending this money one
1488 way or the other. Spending it up front is much more
1489 efficient. Investing today in preventing not only the rise
1490 in insurance costs, but also cancellation of policies and
1491 potentially catastrophic losses for homeowners is also -- is
1492 important. So I think we should keep that in context when we
1493 talk about these costs. We are going to pay one way or the
1494 other. Let's pay it the smart way.

1495 And thank you for being here. Thanks to all the
1496 witnesses.

1497 And I yield back.

1498 *Mr. Duncan. [Presiding] The gentleman's time has
1499 expired. I will now go to Mr. Allen for five minutes.

1500 *Mr. Allen. Thank you, Mr. Chairman, and I want to
1501 thank all of you for being here today and testifying on this
1502 important issue.

1503 You know, Americans across the country are suffering
1504 from high energy prices due to this Administration's rush-to-

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1505 green energy agenda. You know, this needs to be bottom-up
1506 and not top-down. I think every American, you know, wants a
1507 clean environment, and I will tell you America leads the
1508 world. We have reduced our carbon footprint 10 times what
1509 any other nation has done, and we are doing our part here.

1510 The war on fossil fuels and regulatory climate are
1511 making energy prices unsustainable, and this is impacting
1512 every sector of our economy. We just came back from our
1513 August district work period, and the top issue I heard from
1514 my constituents is how their bills keep increasing.

1515 I also have a very agriculture-heavy district, and I
1516 have heard from farmers. In fact, I just met with the peanut
1517 growers with the devastating impacts that high energy prices
1518 are having and input costs are having on their bottom line.
1519 Ms. Pryor, one issue I hear about from our farmers is their
1520 high input cost. In your estimation, what percentage of your
1521 input costs are for fuel?

1522 *Ms. Pryor. I don't know the exact percentage, but --

1523 *Mr. Allen. Yes.

1524 *Ms. Pryor. I don't know the exact percentage, but I
1525 could definitely get back with you on that --

1526 *Mr. Allen. Okay.

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1527 *Ms. Pryor. -- as soon as I am home this evening.

1528 *Mr. Allen. Right.

1529 *Ms. Pryor. But the increase, you know, in -- for a
1530 very comparable amount of fuel was from 57,000 to 83,600 in
1531 just -- from 2021 to 2023.

1532 *Mr. Allen. Right, so it is significant.

1533 *Ms. Pryor. And that is not something -- we don't get
1534 to add a fuel surcharge or something to compensate for that.

1535 *Mr. Allen. Right. And so you are saying that you are
1536 dependent on the market, but then input costs are rising
1537 drastically.

1538 *Ms. Pryor. Correct.

1539 *Mr. Allen. So how do you -- what do you do in the
1540 meantime?

1541 *Ms. Pryor. Absorb it as long as you can. And then
1542 when is the breaking point? I don't know.

1543 Diversification, we try hard to look at every possible
1544 option. That is why we grow more than one type of crop, to
1545 try to make ourselves as strong as possible --

1546 *Mr. Allen. Right.

1547 *Ms. Pryor. -- so that we can ride out times, and --
1548 but it is -- we have had consecutive years now, and the

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1549 projection this year will be the same. So this will be our
1550 second year in a row to not have a profit, and I --

1551 *Mr. Allen. We are at the breaking point. And we can
1552 talk all we want to do about climate, but when people start
1553 going hungry we are going to hear about it, folks. I am
1554 going to tell you that. We are at that breaking point. I
1555 have been in the district, I have listened. And I am going
1556 to tell you. A lot of these folks, they are not going to get
1557 the loans to plant next year, and we are messing around up
1558 here with this, a national security issue? You have to be
1559 kidding me.

1560 *Ms. Pryor. Farmers don't go out of business due to
1561 lack of hard work. They go out of out of business due to
1562 lack of cash flow.

1563 *Mr. Allen. Yes, and the investment that we put in to a
1564 national security risk is like the eye of a needle compared
1565 to the economic impact and national security interests of our
1566 food supply. And we can't make this place up here understand
1567 that.

1568 It absolutely -- oh, no, we got to worry about -- you
1569 know, let me tell you how to deal with wildfires. We do it
1570 down south. We manage our forests, our private forest owners

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1571 manage our forests. It is the public lands where we can't
1572 manage. You all, we were created to adapt, and we are just
1573 allowing these things to happen. It is because people have
1574 lost all common sense in how to deal with these issues. It
1575 is amazing to me.

1576 Ms. -- is it Onwuka?

1577 *Ms. Onwuka. Yes.

1578 *Mr. Allen. Did I get that right?

1579 Before Congress I was a small business owner, and I know
1580 firsthand how these regulations and prices impact businesses.
1581 As you noted in your testimony, energy is a top business
1582 expense for 35 percent of small businesses. From your
1583 experience, how is the rising cost of energy impacting
1584 operations at small businesses?

1585 *Ms. Onwuka. Well, thank you for your question, sir.
1586 You know, when you look at what businesses are spending right
1587 now, it costs small businesses to heat their buildings, run
1588 their equipment, ship their products. They are also facing
1589 increases in prices from their suppliers. So they are
1590 forced, unfortunately, to pass these higher costs on to
1591 customers.

1592 Interestingly, the National Federation of Independent

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1593 Businesses, NFIB, found that energy costs are one of the top
1594 three business expenses and concerns for small businesses
1595 right now. So, you know, it is -- they are struggling. As
1596 much as households are struggling, small businesses are
1597 struggling. And if they can't make ends meet because of
1598 energy costs, they too face that existential threat.

1599 *Mr. Allen. Yes. And Ms. Pryor, fertilizer, you know,
1600 is just another thing.

1601 I have got a few additional questions, Mr. Chairman, but
1602 I am out of time and I yield back.

1603 *Mr. Duncan. The gentleman yields back. I now go to
1604 Ms. Matsui for five minutes.

1605 *Ms. Matsui. Thank you very much, Mr. Chairman. I want
1606 to thank the witnesses for joining us here today.

1607 For many families, including many of my constituents in
1608 Sacramento, energy bills are a serious financial burden, and
1609 I am committed to reducing that burden. But I want to
1610 highlight the misinformation that lies at the heart of this
1611 hearing. Clean energy is not the reason for high gas prices.
1612 In fact, clean energy is critical to making energy affordable
1613 for consumers in the long term.

1614 Now, there is no question that the cost of gas has

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1615 increased since 2021, but it is not because of clean energy.
1616 It is because there was a global oil shortage. Mr. Higgins,
1617 what happened in early 2022 that caused a global oil
1618 shortage?

1619 *Mr. Higgins. The biggest factor was Russia's invasion
1620 of Ukraine.

1621 *Ms. Matsui. Okay.

1622 *Mr. Higgins. It disrupted the entire energy system,
1623 globally.

1624 *Ms. Matsui. Absolutely. I find it odd that
1625 Republicans are blaming the Biden-Harris Administration for
1626 high gas prices when Russia's invasion of Ukraine has clearly
1627 been a key factor in driving high gas prices.

1628 Now, it is not just gasoline prices. Electricity prices
1629 also spiked in 2022 because of Russia's invasion of Ukraine.
1630 Mr. Higgins, very briefly, can you talk about how the
1631 invasion of Ukraine affected natural gas prices and U.S.
1632 electricity bills?

1633 *Mr. Higgins. So it raised gasoline prices, I mentioned
1634 a few minutes ago, because the price of oil is set globally.
1635 Natural gas prices used to be set domestically, but as we
1636 have increased our export capacity we have increased exposure

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1637 of the U.S. economy to global natural gas prices. That means
1638 that this crisis hurt us. And since 40 percent of our
1639 electricity system is based on natural gas right now, when
1640 natural gas prices go up it drives electricity prices up.

1641 *Ms. Matsui. Okay. Now, states that added more wind
1642 and solar to the grid between 2010 and 2023 tend to have
1643 lower electricity bills. Mr. Higgins, when compared with
1644 natural gas, why would clean energy be associated with lower
1645 electricity bills?

1646 *Mr. Higgins. So the cost of installing solar and wind
1647 takes some work, which is why the Inflation Reduction Act
1648 invests in getting them built. Once they are built, they
1649 just run. They don't have an ongoing fuel cost. They are
1650 the cheapest form of electricity available.

1651 *Ms. Matsui. Okay. Now, as you say, clean energy is
1652 cheap, abundant, and reliable. And last Congress Democrats
1653 passed historic legislation to make it even cheaper. Mr.
1654 Higgins, how much do you expect the Inflation Reduction Act
1655 and the infrastructure bill to save American families on
1656 their energy bills?

1657 *Mr. Higgins. We are on a very good trajectory right
1658 now. And so by 2035, which is just 10 years away, we could

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1659 see, according to the latest estimates from the Rhodium
1660 Group, that household energy spending would be cut by a
1661 third --

1662 *Ms. Matsui. Okay, then --

1663 *Mr. Higgins. -- which is an annual savings of \$2,000 a
1664 year.

1665 *Ms. Matsui. Can you briefly explain where those
1666 savings are coming from?

1667 *Mr. Higgins. Some of it comes from reduced spending on
1668 electricity because of increased efficiency. Some of it
1669 comes from counteracting the price impacts of increased
1670 demand on the electricity grid by switching to clean
1671 electricity. A lot of it comes from the households that do
1672 switch to electric vehicles because it works for them, no
1673 longer having to pay gasoline. And this insulates the entire
1674 economy from price volatility.

1675 *Ms. Matsui. Okay. Now, it is not just about lowering
1676 electricity bills, but it is also about bringing
1677 manufacturing back to this country and providing high-paying
1678 jobs for hard-working Americans. Mr. Higgins, how has the
1679 Inflation Reduction Act and the infrastructure law impacted
1680 investment and U.S. manufacturing?

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1681 *Mr. Higgins. The clean energy manufacturing investment
1682 has quadrupled in the two years since the Inflation Reduction
1683 Act, compared to the two years prior. That is an
1684 extraordinary new growth. It has more than tripled for
1685 battery investment. There has been \$75 billion in car-
1686 related investments. So EVs, the batteries, critical mineral
1687 processing. This is set to create and sustain 330,000 new
1688 jobs per year in the United States.

1689 *Ms. Matsui. Okay, that is great. Now, Republicans
1690 have made clear in their Project 2025 plan that they will
1691 fully repeal the Inflation Reduction Act and the
1692 infrastructure law, and shut down these new factories: the
1693 new Redwood Materials battery plant in Charleston, South
1694 Carolina; Hyundai in Georgia; LNG in Michigan and Arizona;
1695 Honda in Ohio. Workers at these plants are counting on the
1696 Inflation Reduction Act.

1697 Mr. Higgins, what would happen to these factories if the
1698 Inflation Reduction Act is repealed?

1699 *Mr. Higgins. I think that pulling the support that has
1700 been -- that these factories were counting on as they
1701 calibrated their investments would be disastrous, and it is
1702 exactly what China is hoping for.

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1703 I just visited China to press them on climate action,
1704 and the number-one question that they have is whether the
1705 Inflation Reduction Act will be repealed because they are
1706 very concerned about these manufacturing investments in the
1707 United States and are, in fact, challenging them in front of
1708 -- challenging the EV tax incentives, in particular, in front
1709 of the World Trade Organization, trying to repeal them.

1710 *Ms. Matsui. Thank you very much, and my time is
1711 expired.

1712 I yield back.

1713 *Mr. Duncan. The gentlelady yields back. I now go to
1714 Dr. Burgess, the chair of the Rules Committee.

1715 Chairman Burgess, you are recognized for five minutes.

1716 *Mr. Burgess. Thank you, Mr. Chairman.

1717 Mr. Fisher, it is not fair to do this to you, but I just
1718 wonder if you have any observations on the things that you
1719 just heard about the Elysian fields of clean energy that we
1720 are now finding ourselves in.

1721 *Mr. Fisher. I appreciate the question, sir.

1722 The thing that stands out to me is I keep hearing that
1723 new, clean resources are the cheapest, they are affordable,
1724 they are the best. It is interesting to me that we would

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1725 have to subsidize them to the tune of three trillion Federal
1726 dollars if they are already the cheapest. And it is
1727 confusing to me why states would have to mandate these
1728 resources.

1729 *Mr. Burgess. So I am from Texas. We have our own
1730 electrical grid. You may have heard about it. It has been
1731 in all the papers. So every -- during the month of August I
1732 come home and I watch what is happening on the ERCOT website.
1733 Texas is a leader in wind and solar. So this summer -- last
1734 summer -- a lot of solar energy was produced. That is a good
1735 thing.

1736 The problem is that the sun goes down. And it seems to
1737 be a predictable phenomenon. It occurs about -- in the
1738 summertime in Texas it is about 8:00 p.m. where -- in the
1739 time zone that I live in. People are getting home, they open
1740 their front door, they realize, oh my gosh, it is hot as hell
1741 in here, crank up the AC. And just as they are cranking up
1742 the AC and driving energy electricity demand, the sun sets
1743 and there is no energy on the grid. So several times ERCOT
1744 on its website has put out a warning saying, "Hey, we are
1745 getting dangerously close to that imbalance period."

1746 You need to have the energy resources from reliable

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1747 thermogenic resources like natural gas, like nuclear. And if
1748 you don't have that as part of your mix, I don't care how
1749 good you are in wind and solar -- and Texas is good, they
1750 have made significant investments. They have made those with
1751 state dollars, not with Federal dollars.

1752 Now, the other thing I am just obligated to point out --
1753 I just came from a budget hearing -- we have got a massive
1754 deficit problem in this country right now. So when we talk
1755 about a couple of billion dollars for a clean energy project,
1756 add 50 percent to that because that is the carrying cost that
1757 you are going to be paying interest to the Chinese in order
1758 to do this thing that you want to do.

1759 Now, look, I apologize for not being here the entire
1760 time. We have got three different hearings in three
1761 different buildings, and it is a challenge, as it always is.
1762 I heard my ranking member of the full committee disparage
1763 something he calls Project 2025. But the Center for American
1764 Progress also has an agenda, and it is available. No one is
1765 talking about it very much.

1766 So I go on the website of Center for American Progress.
1767 And this is not just an incidental -- I mean, the domestic
1768 policy advisor in the White House is the former head of the

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1769 Center for American Progress, Neera Tanden. She was put in
1770 that job because it didn't require Senate confirmation, and
1771 she got herself in hot water with some other comments that
1772 she made that -- she couldn't go through Senate confirmation.

1773 But what I also found in looking at things on the Google
1774 machine, nobody really knows the donors behind the Center for
1775 American Progress. So Mr. Chairman, I would like to submit
1776 for the record -- here is an article from The Nation, hardly
1777 a right-wing enterprise, "The Secret Donors Behind the Center
1778 for American Progress.'" So this is recently updated.

1779 *Mr. Duncan. Without objection, so ordered.

1780 [The information follows:]

1781

1782 *****COMMITTEE INSERT*****

1783

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1784 *Mr. Burgess. The other thing I would like to submit
1785 for the record -- I have been on this committee for a long
1786 time. In the middle of the pandemic, because of the demand
1787 destruction caused by all industry having to shut down --
1788 albeit temporarily, but it still was a big, big disruption on
1789 our energy-producing sector -- and the price of oil
1790 plummeted, it seemed to me to be logical at that point, in
1791 the middle of July of 2020, that with the price so low, this
1792 would be a very opportune time to build up our supplies in
1793 the Strategic Petroleum Reserve. Senator Cornyn and I had a
1794 bill to do just that.

1795 I also will submit for the record an op ed, a brilliant
1796 op ed I might point out, written by Senator Cornyn and
1797 myself, about how the Strategic Petroleum Reserve should be
1798 replenished during this time of relatively low prices. And
1799 then we saw what happened literally two years later, when the
1800 President Biden decided there was a political emergency and
1801 he had to drain the Strategic Petroleum Reserve in order to
1802 prevent there being a bloodbath in the mid-term elections.
1803 And yet we sit here today with a big tropical storm,
1804 Francine, churning in the Gulf, and all of the Gulf
1805 production is having to be shut in, albeit for a few days,

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1806 but that is the reason you have a Strategic Petroleum
1807 Reserve, because if something like that happens then America
1808 doesn't suffer because of this natural disaster that has been
1809 visited upon us.

1810 Thank you, Mr. Chairman. I know I went a little bit
1811 over. I apologize and I will yield back.

1812 *Ms. DeGette. Mr. Chairman?

1813 *Mr. Duncan. The gentleman yields back.

1814 And without objection, so --

1815 *Ms. DeGette. Mr. Chairman -- no, Mr. Chairman, I would
1816 just point out that this article that the gentleman offers
1817 for admission to the record is dated May 22, 2013. It is 11
1818 years old. But for whatever minimal use it might be, I will
1819 not object to its admission in the record.

1820 *Mr. Burgess. I would also note for the record --

1821 *Mr. Duncan. The gentlelady is correct. The date on it
1822 is correct, but we are going to submit it to the record
1823 without objection.

1824 [The information follows:]

1825

1826 *****COMMITTEE INSERT*****

1827

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1828 *Mr. Duncan. Now I will go to my friend, Mr. Tonko, for
1829 five minutes.

1830 *Mr. Tonko. Thank you, Mr. Chair.

1831 We should dispense with the myth that Americans' energy
1832 affordability issues started in January of 2021. For
1833 millions, energy and security has always been their reality.
1834 In both 2015 and 2020, long before the Biden Administration,
1835 the Energy Information Administration found that more than a
1836 quarter of U.S. households reported difficulty paying their
1837 energy bills or keeping their home at an unsafe temperature
1838 because of energy cost concerns. Millions of Americans have
1839 reported forgoing food and medicine to pay energy bills.

1840 For decades Congress has funded proven and effective
1841 programs to support low-income Americans with home energy
1842 affordability, such as LIHEAP and the Weatherization
1843 Assistance Program. Homes receiving weatherization services
1844 save, on average, a \$372 total every year. Mr. Higgins, can
1845 you tell us about the importance of programs like the
1846 Weatherization Assistance Program, and why Congress provided
1847 historic supplemental funding for it in the infrastructure
1848 law?

1849 *Mr. Higgins. Thank you, Representative Tonko.

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1850 Yes, the Center for American Progress is transparent
1851 about our funding sources and our recommendations. We do put
1852 things on the website. So I would be happy to respond to the
1853 representative from Texas in writing since he is now gone.

1854 One of the things that we work really hard on, though,
1855 is, as you raise, trying to make sure that low-income
1856 households have an opportunity to afford energy bills and
1857 make improvements to their energy efficiency. And the
1858 Weatherization Assistance Program, the LIHEAP program, the
1859 new Home Energy Rebates programs are key.

1860 So the Weatherization Assistance Program, for example,
1861 provides an average of \$280 in annual cost savings to the
1862 households that participate, and supports over 8,500 jobs for
1863 weatherization to go and help households improve.

1864 The Home Energy Rebates program can save up to \$1
1865 billion annually in ongoing costs for American households.

1866 And LIHEAP last year provided \$5 million -- excuse me, 5
1867 million households with heating cost assistance, which
1868 includes -- that is \$3 billion in heating assistance, over
1869 \$500 million for cooling assistance, which is sort of a new
1870 mandate for their program, given how much worse extreme heat
1871 is becoming, and \$500 million for Weatherization.

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1872 *Mr. Tonko. Well, I thank you for that.

1873 Other members have brought up Project 2025 today, and
1874 that proposal also has something to say about our existing
1875 programs to support low-income families with their energy
1876 bills. Project 2025 wants to eliminate DoE's Office of State
1877 and Community Energy Programs, which includes Weatherization
1878 and other -- and I quote -- "special interest funding
1879 programs.'" Personally, I do not believe Federal efforts to
1880 help struggling Americans is a special interest.

1881 Now, I am sure my colleagues across the aisle will say
1882 Project 2025 is not an official campaign platform, but we can
1883 look at Donald Trump's actual actions as President, where his
1884 budget requests consistently proposed zeroing out these
1885 critical programs. So Mr. Higgins, if programs like
1886 Weatherization and LIHEAP are eliminated, what would be the
1887 consequences for our low-income community of Americans?

1888 *Mr. Higgins. Low-income households would be left
1889 exposed to extreme heat, to extreme cold. They would be
1890 unable to address -- or less able to address their own energy
1891 needs. These support programs help renters, homeowners,
1892 everyone to be able to afford the energy bills they need to
1893 pay, and avoid the types of terrible trade-offs between food

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1894 and energy or sports practices, or whatever it is that the
1895 households need to balance. These are great programs that
1896 help a lot of people.

1897 *Mr. Tonko. Thank you.

1898 If we really want to address persistent energy
1899 insecurity, we should be working together to strengthen
1900 proven programs that work. I have proposed the
1901 Weatherization Enhancement and Readiness Act to make modest
1902 reforms that will ensure the already-available funding is
1903 spent even more effectively. I would encourage the
1904 subcommittee to consider legislation along these lines.

1905 Project 2025 has also proposed eliminating DoE's
1906 Efficiency Standards Program. Once again, we can look at
1907 House Republicans' actual actions this Congress to advance
1908 legislation that would gut this program. The Appliance
1909 Standards Awareness Project found that efficiency standards
1910 save the average household more than \$500 each year on
1911 utility bills. And ironically, on the floor we are
1912 considering bills to appear to be tough on China, but by
1913 eliminating minimum efficiency standards we will be allowing
1914 China to dump poorly-made, inefficient products into the U.S.
1915 market at the expense of American manufacturers and American

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1916 consumers.

1917 Mr. Higgins, when we lower our standards, whether that
1918 be for energy efficiency or other performance or safety
1919 standards, can you explain how that race to the bottom
1920 benefits our foreign competitors like China?

1921 *Mr. Higgins. China actually exports a fair number of
1922 air conditioners to other parts of the world, and they have
1923 watched with concern as we have raised our standards, because
1924 it has jeopardized their ability to dump inefficient air
1925 conditioners onto the developing world. That is a problem
1926 for people everywhere. When we raise our standards it puts
1927 pressure on the whole rest of the world to do better. And
1928 that benefits not just low-income households here, but also
1929 in Africa and southeast Asia, places where air conditioning
1930 is a matter of life and death.

1931 *Mr. Tonko. Well, some may claim Project 2025 is an
1932 unofficial blueprint. But whether it is eliminating
1933 Weatherization or gutting efficiency standards --

1934 *Mr. Duncan. The gentleman's time has expired.

1935 *Mr. Duncan. -- it is clear that Donald Trump and many
1936 Republicans in Congress have already been using this
1937 playbook.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1938 And with that, Mr. Chair, I say thank you and yield
1939 back.

1940 *Mr. Duncan. The gentleman yields back. I now go to
1941 the chair of the O&I Subcommittee, Mr. Griffith, for five
1942 minutes.

1943 *Mr. Griffith. Thank you very much, Mr. Chairman, I
1944 greatly appreciate it.

1945 Mr. Chairman, I think we have just provided a copy of
1946 the Martinsville Bulletin article by Bill Wyatt related to
1947 electricity rate increases likely, and I would move that we
1948 have that submitted into the record, if appropriate. And you
1949 all can look at it later and get back to me on that.

1950 *Mr. Duncan. Without objection, so ordered.

1951

1952

1953 [The information follows:]

1954

1955 *****COMMITTEE INSERT*****

1956

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1957 *Mr. Griffith. In that article -- and it was based on
1958 the PJM, so eventually I am going to come to you, Mr. Fisher,
1959 for a question -- but in that article the Martinsville
1960 Bulletin reporter, Bill Wyatt, went through and took what the
1961 PJM's executive vice president, Stu Bresler, said the
1962 increase would be based on the fact that the PJM price for
1963 capacity reservation went from \$28 in the most recent auction
1964 this summer to \$270 per megawatt per day. And as a result of
1965 that, they took the numbers from PJM, they calculated them.
1966 I had sent out a statement, in all fairness, and they
1967 calculated that in the Martinsville-Henry County area, the
1968 average monthly bill of 206 would increase to \$343.

1969 Now, it gets a little complicated for folks watching
1970 back home. I know you know this, but the reserve capacity or
1971 the capacity reservation means we are gambling on next year's
1972 cost on a particularly hot or particularly cold day when
1973 electricity is being used a lot. And while it only accounts
1974 for about 8 percent of the overall cost in the bill, it does
1975 mean that rates have to go up when you jump from \$28 per
1976 megawatt per day to 270, or almost \$270 per megawatt per day.

1977 So the question to you is -- and you can tell I am
1978 alarmed, and I know you touched on it -- what is that going

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1979 to mean for constituents back home, not just the price
1980 increase that I have already mentioned and that Mr. Wyatt
1981 went through and did the extra homework to come up with his
1982 own number of what that was going to cost his readership, but
1983 what does that mean when that price goes up? Does that mean
1984 brownouts, blackouts, or does it just mean people have to not
1985 have air conditioning or not have heat?

1986 And I would remind you that in our region we went down a
1987 couple of Christmases ago to about three degrees.

1988 Go ahead, Mr. Fisher.

1989 *Mr. Fisher. As a resident of the State of Maryland, I
1990 was alarmed, as well when I saw the Consumer Council there
1991 published a range that could be as high as a 24 percent
1992 increase in retail rates, just due to the PJM capacity
1993 auction. That is unfortunate, but I do think prices give us
1994 a signal. Prices tell us something. And what the PJM
1995 capacity prices are telling us are it is the combined reality
1996 on the ground, supply and demand.

1997 So we are reducing supply through EPA regs and other
1998 things. We are having significant load growth, which would
1999 be overall a good story, that is a positive story that means
2000 economic growth. But load growth in the context of supply

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2001 constraints means prices are going to skyrocket. And that is
2002 exactly what is happening.

2003 *Mr. Griffith. And I am sure somebody has touched on
2004 this before -- and I am chairing a hearing upstairs, so that
2005 is why I wasn't here earlier -- but when I was a young
2006 lawyer, a number of years ago, the Appalachian footprint in
2007 southwest Virginia was the third lowest electric rates in the
2008 country, and that was because of coal and natural gas. But
2009 now we are on average with the average. And with PJM's
2010 reserved capacity auction, we are probably going to be
2011 slightly above average next year is my guess.

2012 And part of what makes these rates go up -- and you tell
2013 me if I am wrong on any of this -- part of what makes these
2014 rates go up not only is the push to go away from the fossil
2015 fuels, but the fact that we have facilities that are built
2016 that are supposed to last another 20 or 30 years, and now we
2017 are having to rebuild because those don't expect that they
2018 will be around in 10 years, based on Green New Deal and other
2019 policies passed and encouraged by the Biden-Harris
2020 Administration. Am I correct on that?

2021 *Mr. Fisher. That is exactly right. And the only thing
2022 I would add is the cheapest electricity that we have is from

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2023 a power plant that is already built, that has already been in
2024 operation, especially if it has a useful life going forward.
2025 It is a real shame to shut those power plants down, because
2026 that is the cheapest energy we have got.

2027 *Mr. Griffith. And those are exactly the kind of power
2028 plants I have, and it is illogical to think that we are going
2029 to get rid of all of that.

2030 I am happy for us to move to nuclear. I am happy for us
2031 to move to hydrogen. I am happy for us to move to wind and
2032 solar, as long as we are not sacrificing the people in my
2033 district who have -- the average has gone over 50,000 -- the
2034 average household income in my district is a little over
2035 \$50,000 a year. You suddenly start raising your electric
2036 rates to where the average in that Martinsville-Henry County
2037 area is going to be about -- what did I say, 3.43, if I
2038 remember correctly -- that is a real impact on these
2039 families, and it is going to mean that people are going to
2040 have to cut something out, and it means they are probably
2041 going to go cold or get excessively hot in the summer.

2042 Mr. Chairman, I appreciate the consideration of my
2043 colleagues, and I yield back.

2044 *Mr. Duncan. The gentleman yields back. I will now go

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2045 to the gentleman from Texas, Mr. Veasey, for five minutes.

2046 *Mr. Veasey. Mr. Chairman, thank you very much, and
2047 such a great discussion that we are having today.

2048 Ms. Pryor laid out -- and I thought it was really
2049 interesting for people to understand -- about how fuel price
2050 can have upward pressure on food prices. I thought that that
2051 was really interesting. One of the other things that I hope
2052 that Ms. Pryor and others are talking about too is how labor,
2053 and the shortage of labor, can put upward pressure on prices.

2054 As you know, there was an opportunity for us to pass a
2055 bipartisan immigration bill this Congress, and Trump thought
2056 that the bill would help President Biden get reelected when
2057 he was still the nominee, and so Trump supposedly talked to
2058 the Speaker of the House and asked him to jettison the bill
2059 so we would not be able to pass it. That is something that
2060 would have a very -- would be very disadvantageous to your
2061 particular industry, and put upward costs on the prices of
2062 apples for all consumers across the land to have to pay.

2063 And so being able to tackle immigration reform and being
2064 able to fix on -- the flaws in the system that hurts
2065 businesses like yours is something that this Congress needs
2066 to address, along with coming up with sensible energy

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2067 solutions.

2068 And speaking of sensible energy solutions, low-income
2069 families, obviously, in the State of Texas have been hit very
2070 hard when it comes to their electric bills. We have very hot
2071 summers in Texas. I don't think I would have to tell anybody
2072 that. Sometimes we will have 20, 30-plus days of 100-degree
2073 days over the summer months. And the IRA is helping to lower
2074 bills in Texas, which I think is awesome, and we are creating
2075 a lot of jobs in the Lone Star State because of the IRA. An
2076 estimated \$66.5 billion of investment into large-scale clean
2077 power generation and storage is expected to come to Texas
2078 between now and 2030. And there are so many other areas.

2079 And I know that, Mr. Higgins, in your testimony you
2080 cited Texas and our wind and solar industry saved about \$11
2081 billion in wholesale electricity costs in 2022. With that in
2082 mind, can you elaborate on how the IRA specifically helps low
2083 and middle-income families reduce their energy bills?

2084 Because, as you know, in order for these new, cleaner
2085 technologies to really be successful and be embraced by the
2086 American public, not only do they have to be reliable, but
2087 they have to be affordable. So can you elaborate on that a
2088 little bit?

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2089 *Mr. Higgins. Yes, I am happy to. The clean energy
2090 that is adding to the system helps save money and lower
2091 electricity prices. As you mentioned, the large number, just
2092 on a daily basis, that is \$20 million per day in avoided fuel
2093 costs alone. Those savings help people who are really
2094 exposed to electricity prices, which include low-income
2095 households who spend 20 percent of their incomes on energy
2096 bills and transportation fuel. That is triple the typical
2097 household expenditure. It is just a larger proportion of
2098 their expenses.

2099 And they often -- a low-income household often is not in
2100 charge -- either they don't own the house or, if they do,
2101 they haven't had a chance to upgrade the efficiency. So the
2102 households that low-income -- the households live in pay
2103 \$0.20 more per square foot on energy because they have poor,
2104 drafty conditions or inefficient ways to keep the -- to avoid
2105 the sun and to do the air conditioning.

2106 And so the Inflation Reduction Act and the Bipartisan
2107 Infrastructure Law are investing in programs like LIHEAP and
2108 Weatherization Assistance. There are tax incentives for the
2109 purchase of new appliances. But for households that don't
2110 have a tax bill, that is not as helpful, which is why the

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2111 Inflation Reduction Act also creates rebates. So if you are
2112 a low-income household, you can get up to 100 percent of the
2113 costs of upgrading your home covered by the bill, and that
2114 includes electric panel upgrades you might need, as well as
2115 the actual appliances.

2116 So I just mentioned a couple of the programs. There are
2117 many more. These are just rolling out now. The states are
2118 only starting to implement that rebate program I mentioned.
2119 So the savings that we are going to see here, I think, could
2120 be really beneficial for people.

2121 *Mr. Veasey. Yes. No, absolutely. And in closing
2122 here, you know, the West Texas Intermediate dropped --
2123 closed, I am sorry -- to below \$67 a barrel yesterday. I was
2124 just wondering how this -- how the clean energy
2125 infrastructure under the IRA can contribute to long-term
2126 stabilization of energy prices not just in Texas, but across
2127 the country.

2128 *Mr. Higgins. Right. So as you mentioned, the crude
2129 oil prices now are half of what they were in 2022. And
2130 gasoline prices have gone down from \$5 to --

2131 *Mr. Veasey. Absolutely.

2132 *Mr. Higgins. -- about 3.33. So it has been a major

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2133 trend.

2134 The thing is, we don't want to be left in a position to
2135 have to pay those high prices again the next time global
2136 supplies are interrupted. And the Inflation Reduction Act,
2137 as you mentioned, is helping to protect us against those by
2138 giving consumers options that will leave them less dependent
2139 on these fuels.

2140 *Mr. Veasey. Absolutely. Amen to lower gas prices.

2141 Thank you, Mr. Chairman.

2142 *Mr. Duncan. The gentleman yields back. I will now go
2143 to Mr. Latta for five minutes.

2144 *Mr. Latta. Well, thank you, Mr. Chairman, and thanks
2145 for this very important hearing today, and thanks for our
2146 witnesses for being here.

2147 I have a very unique district. I know the members on
2148 this committee have heard me say it a lot of times, but I
2149 have 86,000 manufacturing jobs, the largest in the State of
2150 Ohio. But I also have the largest farm income producing
2151 district in the State of Ohio. Agriculture runs deep in our
2152 area. And my mom's family, they settled family farms in the
2153 1840s, and my mom was raised on the family farm, one of seven
2154 kids. My wife comes from a family farm up in Williams County

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2155 that was settled in 1835, and the family is still on it. And
2156 they have, you know, gone through good times and bad times,
2157 like everyone else has.

2158 But, you know, one of the things that, as I drive across
2159 my district and see what is going on out there, it is
2160 important because, you know, the crops are out there right
2161 now. In another month and a half, hopefully, they are going
2162 to start seeing the production of -- taking off the crops.

2163 But you know, Ms. Pryor, if I could ask you some
2164 questions because, again, when I read your testimony, it was
2165 very interesting and also hit home because prior to this
2166 hearing I got a letter from a farmer in my district. And
2167 when I look at the -- in your testimony, when you are talking
2168 about, you know, your production costs and what has happened
2169 in the last several years, and you said -- and from -- and
2170 "since 2021, when we spent 57,000 for diesel and gasoline,
2171 compared to 2023 when we spent 83,000.'" And, you know, I am
2172 looking at what they did, and they broke things down in this
2173 letter. But they are showing that in 2021 they had about
2174 \$122,000 in fuel costs, and they are projecting this year
2175 being at \$180,000.

2176 And then you look, their fertilizer costs are up from

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2177 580,000 to 900,000. And again, because a lot of people don't
2178 realize sometimes when they think about oil and natural gas,
2179 they think that is the things we are powering things with or
2180 heating with, but not realizing what we are making out of
2181 those products for fertilizers that are so important for our
2182 farmers.

2183 And if I could just -- you know, when you look at what
2184 is happening for your farm -- and I know you have really
2185 pointed out in your written testimony -- but when you look at
2186 your farm costs out there, and the higher energy costs and
2187 peripheral costs, fertilizer, fuel, and equipment, et cetera,
2188 how have you been, you know, trying to manage that?

2189 Because, again, you have got to have a bottom line out
2190 there. And, you know, where do you see that bottom line
2191 heading, you know, saying that production is going to cost us
2192 more than we are going to be taking in?

2193 *Ms. Pryor. This year we will have a negative and, you
2194 know, the USDA projection, farming as a whole will have the
2195 second consecutive year of having a loss. But last year we
2196 broke even. This year we are not going to do that. We are
2197 going to have a loss. That scares me. But, you know, we
2198 tried to plan and it is -- there is huge risk.

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2199 And I think, you know, it goes back to farm bill and the
2200 -- that helps relieve some of those risks that we take. And
2201 if we have some support to fall back on and plan on and be
2202 reliable, then it is easier to take those calculated risks.
2203 But with, you know, no fallback, it is much harder because
2204 then you are looking at your prices that you can't control
2205 and weather that you can't control. And that is a lot of
2206 variables to make it even riskier.

2207 But, you know, we farm because we love it, and it is our
2208 livelihood, but it is also our life. And, you know, there is
2209 nothing else that we want to do. And so just to say, oh,
2210 well, it wasn't profitable, we are going to close and do
2211 something else, that is really not an option. And it is not,
2212 you know -- having the equipment and the ability to grow
2213 different crops, that takes time too.

2214 So we are constantly -- for us, we are -- the processing
2215 market for apples is changing, and we know that, and we are
2216 not naive to that, and so we will look at other options and
2217 other types of apples and varieties that we can grow and set.
2218 But it takes planning. You know, you are looking at five
2219 years from setting to your first harvest. So it is not
2220 something that we can just change overnight and, you know,

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2221 this isn't working, we are going to switch.

2222 *Mr. Latta. Let me ask this. And I only have about 38
2223 seconds left in my time remaining. How do you plan,
2224 especially on energy costs, when you see, you know, energy
2225 costs going up? How do you plan for your -- when you budget
2226 for the year for your farming?

2227 I am sorry, I have only got about 26 seconds left.

2228 *Ms. Pryor. I would love to be able to budget. There
2229 is no budget because how can there be? It is so variable,
2230 and we don't know what we are going to get paid for a crop
2231 until it is right at time to harvest it. So there is no way
2232 to -- I mean, it would be great if we could have a better
2233 idea and some more security as to what things are going to
2234 cost, but there is no way, especially when you don't know
2235 what price you are going to get for your crop until it is
2236 time to harvest.

2237 *Mr. Latta. Well, I appreciate the witnesses for being
2238 here, Mr. chairman. Thanks for having today's hearing. And
2239 my time has expired, and I yield back.

2240 *Mr. Duncan. The gentleman yields back. Ms. Kuster is
2241 recognized for five minutes.

2242 *Ms. Kuster. Thank you, Mr. Chairman, and thank you to

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2243 our witnesses.

2244 I just want to start by saying on the record that
2245 Democrats are totally in favor of passing a farm bill, and it
2246 is the Republican leadership that is holding it up. So here
2247 we are at what may be the last Energy Subcommittee hearing of
2248 our -- this Congress. And rather than examining the many
2249 issues facing our nation and its energy system, my colleagues
2250 on the other side of the aisle are once again trying to spin
2251 a partisan message about energy prices. The majority seems
2252 more focused on partisanship than facts.

2253 So here are the facts. Under President Biden the United
2254 States is producing more energy than ever before. In fact,
2255 the United States produces more oil and natural gas than any
2256 other country. Thanks in part to this record, energy
2257 production wholesale natural gas prices are 30 percent lower
2258 under President Biden than they were under President Trump.
2259 Gasoline in my district right now is \$3.19. Record U.S.
2260 energy production is also helping our allies, providing
2261 energy security to our friends, and reducing the influence of
2262 malevolent foreign regimes.

2263 Thanks to the work of the Biden-Harris Administration
2264 and House Democrats, we have also set the stage for the

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2265 United States to dominate clean energy markets. The
2266 Inflation Reduction Act is turbo-charging U.S. investment in
2267 renewable energy projects, helping to drive down U.S. carbon
2268 emissions. In 2023 carbon emissions from the electric power
2269 sector declined by 7 percent.

2270 If we pass meaningful permitting reform to help us speed
2271 the construction of new transmission projects and the
2272 relicensing of existing hydropower facilities -- both issues
2273 that Democrats on this committee are working hard to
2274 accomplish but have been thwarted by the Republican
2275 partisanship -- we can continue to drive down carbon
2276 emissions and meet the Biden-Harris Administration's carbon
2277 goals.

2278 The Inflation Reduction Act is also turbo-charging
2279 investment in the domestic manufacturing needed to supply
2280 future clean energy projects. This domestic manufacturing
2281 means new jobs, and the Biden-Harris clean energy agenda is
2282 creating a green-collar workforce for the future.

2283 Now, let's contrast this with Project 2025, the
2284 Republican playbook for what they want to do in the energy
2285 policy space if Donald Trump were to win the White House
2286 again. Project 2025 would repeal all energy efficiency

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2287 standards for appliances. These energy efficiency standards
2288 are predicted to save Americans over \$1 trillion in energy
2289 costs over the next 30 years.

2290 Mr. Higgins, my first question is for you. How would
2291 actions like eliminating energy efficiency standards impact
2292 hard-working American families?

2293 *Mr. Higgins. The energy efficiency standards are set
2294 to save almost \$2 billion a year in energy costs, and
2295 eliminating the opportunity to continue to improve efficiency
2296 standards or even rolling those back would just make it
2297 harder for people to afford their monthly budget.

2298 *Ms. Kuster. And to pay their bills. Thank you.

2299 Project 2025 would also undermine the independence of
2300 regulatory commissions like the Federal Energy Regulatory
2301 Commission and the Nuclear Regulatory Commission.

2302 Mr. Higgins, my second question is to you: How would
2303 curtailing the independence of these regulators hurt hard-
2304 working American families?

2305 *Mr. Higgins. Having a reliable regulatory system for
2306 things like nuclear power plants, I think, is critical for
2307 industry and for the public to trust that future investments
2308 are safe and worth making.

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2309 The same thing with the Federal Energy Regulatory
2310 System. Sorry. The Commission is responsible for getting
2311 transmission built, permitting pipelines, even. And if we
2312 can't have a reliable regulator who plays fair and addresses
2313 the problems of today, we are going to have trouble building
2314 the new grid that we need to remain competitive globally and
2315 see economic growth.

2316 *Ms. Kuster. Would you venture to have an opinion as to
2317 whether Project 2025 will raise or lower energy prices for
2318 hard-working American families?

2319 *Mr. Higgins. I am confident, based on modeling I have
2320 seen and the analysis of the programs, that Project 2025, if
2321 implemented, would raise energy costs not just above where we
2322 are hoping they will decline to, but above where they have
2323 been.

2324 *Ms. Kuster. Including farmers?

2325 *Mr. Higgins. Yes, I would think so. There is more
2326 than \$20 billion in the Inflation Reduction Act that we hope
2327 we will see renewed in the farm bill that will help diversify
2328 the revenue streams for farmers, and this is helping to
2329 protect small businesses even as they face fluctuating
2330 commodity prices influenced by energy costs and extreme

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2331 weather.

2332 *Ms. Kuster. Thank you.

2333 With that I yield back.

2334 *Mr. Duncan. The gentlelady yields back. I will now go
2335 to Mr. Weber for five minutes.

2336 *Mr. Weber. Well, thank you, Mr. Chairman. I
2337 appreciate you all being here. I had to go to a Science,
2338 Space, and Technology Committee, so I didn't get to hear a
2339 lot of your testimony, but I heard a lot of something just
2340 now, so I am up to speed, I suspect one could say.

2341 Mr. Fisher, in his testimony before this committee in
2342 July, FERC Commissioner Mark Christie opened by stressing,
2343 "The United States is heading for potentially catastrophic
2344 consequences in terms of the reliability of our electric
2345 power system," in part because dispatchable power plants are
2346 retiring too quickly.

2347 A few days later -- we talked about PJM -- the largest
2348 grid operator in the nation announced that prices in its most
2349 recent capacity auction rose substantially, and Mr. Griffith
2350 talked about that. PJM noted that one of the drivers of the
2351 higher prices -- and I am quoting now -- is "decreased supply
2352 offers into the auction, due mainly to generator requirements

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2353 -- retirements, ' ' I am sorry.

2354 At a time when policymakers and regulators should be
2355 emphasizing actions to sustain existing power plants, the EPA
2356 continues rulemakings likely to shut down generation critical
2357 to the very electric reliability we are seeking. In April
2358 the EPA announced an unworkable, unrealistic fuel -- rule --
2359 a fuel rule, maybe I will do it that way -- focused on
2360 existing coal and new natural gas plants. And in July the
2361 Administration announced that the EPA will release a proposed
2362 rule in December cracking down on carbon emissions from
2363 existing plants. You can't make this stuff up.

2364 So my question to you is, what do you anticipate will be
2365 the net result from the continued retirement of dispatchable
2366 power plants like natural gas generation at a time when
2367 increased demand for electricity is going to require
2368 significantly more generation?

2369 What impacts do you believe that those actions I
2370 described will have on ratepayers?

2371 *Mr. Fisher. Increased prices, reduced reliability, for
2372 a start.

2373 *Mr. Weber. Would you say 20 percent, 30 percent?

2374 We really don't know how bad it will be, do we?

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2375 *Mr. Fisher. Well, the PJM capacity price increase was
2376 eightfold.

2377 *Mr. Weber. Right.

2378 *Mr. Fisher. I am not sure if that is going to happen
2379 across the board, but that is a signal. That is a sign of
2380 the times.

2381 *Mr. Weber. Absolutely.

2382 Ms. Pryor, I am going to jump over to you. I appreciate
2383 some of your comments. I did get a chance to read through
2384 some of your information.

2385 I am an -- I was an -- I owned an air company for 35
2386 years. We dealt with power requirements all the time. If
2387 somebody was building a house, we knew exactly how much
2388 electricity that house needed. When you all are talking
2389 about the EPA and the Federal Government requiring that you
2390 redo a whole house -- I think, Mr. Higgins, you had that
2391 conversation -- and it would even be paid for, the whole
2392 house and all the appliances, do you have any idea what an
2393 air conditioning -- a complete change of air conditioning
2394 system costs? It is unbelievable. And you are talking about
2395 all new appliances and air conditioning system? Somebody has
2396 got to pay that dime, and it is the taxpayers, who aren't

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2397 getting their houses upgraded.

2398 Ms. Pryor, coming back to you, do you know any farmers
2399 who use electric trucks for farming?

2400 *Ms. Pryor. I don't personally know of any. We do have
2401 one small college near us that I know has a tractor that is,
2402 and they are trying to give it a good try --

2403 *Mr. Weber. Yes.

2404 *Ms. Pryor. -- and it is not able to do everything that
2405 they --

2406 *Mr. Weber. Well, when you need to get all that you can
2407 out of a diesel tractor or diesel 18-wheeler, you don't have
2408 time to stop and recharge the battery. You just don't. Not
2409 only that, but, as you know, the battery adds to the weight
2410 factor on these trucks and you can't carry as many goods as
2411 otherwise you would have.

2412 From your experience and in your opinion, Ms. Pryor,
2413 sticking with you, do you believe that American consumers are
2414 aware that the increased price of food in grocery stores -- I
2415 am going to do this in two parts -- corresponds with higher
2416 energy costs, which you have to absorb?

2417 And the second part is most kids think that, you know,
2418 apples and meat and milk comes from HEB in Texas. Well, it

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2419 doesn't. You think it is going to increase your cost?

2420 *Ms. Pryor. Oh, it definitely increases my cost. Was
2421 your first part of the question did I think people realize?

2422 *Mr. Weber. Do you think Americans are really aware of
2423 that?

2424 *Ms. Pryor. No, not at all. I do a lot to try to
2425 advocate for agriculture and just education, and people don't
2426 realize what goes into it.

2427 So even -- let's say strawberries, the plastic clamshell
2428 that they are in, the plastic cost more because of petroleum.
2429 The cereal box, the plastic bag that is inside, everything is
2430 increased, all those input costs are increased. And that is
2431 one of the --

2432 *Mr. Weber. The war on fossil fuels has hurt us
2433 because, for one thing, we are not teaching young people
2434 exactly how badly we need petroleum products just in every
2435 facet of our life.

2436 Ms. Onwuka -- am I saying that right?

2437 *Ms. Onwuka. Onwuka.

2438 *Mr. Weber. Okay, I am coming to you. Yes or no, do
2439 you believe that the average American can afford to pay
2440 \$9,000 -- and that is low, I was in that business -- to

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2441 retrofit their homes with climate-friendly appliances?

2442 Do you believe the average homeowner can afford that?

2443 *Ms. Onwuka. No, they can't.

2444 *Mr. Weber. Yes or no, do you believe that it is
2445 acceptable that 37 percent of households reported difficulty
2446 paying for usual household expenses, including utility bills?
2447 Is that acceptable?

2448 *Ms. Onwuka. No.

2449 *Mr. Weber. And we are only going to make it worse.

2450 Mr. Chairman, I could go on, but I am out of time. I yield
2451 back.

2452 *Mr. Duncan. The gentleman yields back. I will now go
2453 to Dr. Schrier for five minutes.

2454 *Ms. Schrier. Thank you, Mr. Chairman, and thank you to
2455 our witnesses.

2456 During this hearing we have heard a lot about -- of
2457 points made about high prices related to energy costs, but I
2458 would like to shift focus to the core of what I am hearing
2459 from my constituents, and farmers, and seeing in my district.

2460 Washington State consumers pay particularly high prices,
2461 and farmers have very high input costs. My constituents,
2462 both the farmers and my -- and customers, are hurting. In

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2463 addition to these increased input costs, farmers are having
2464 to deal with being squeezed at the other end of the pipeline.
2465 I have heard firsthand about the very heavy-handed tactics
2466 that grocery store chains use to negotiate or, as you put it,
2467 Ms. Pryor, just set the rock-bottom prices that they will pay
2468 farmers and growers.

2469 Your testimony, Ms. Pryor, reads like what I hear from
2470 farmers in the district. We have the apple farmers in north
2471 central Washington. You already made very clear in your
2472 testimony that you are price takers and not price makers or
2473 negotiators. So let me be clear about this, that while big
2474 corporate supermarket chains are playing hardball with
2475 farmers and demanding the lowest prices, they have exploited
2476 the pandemic-era supply chain challenges to rake in profits.
2477 And then they continue to this day, even though the supply
2478 chains are no longer strained the way they were.

2479 For example, Kroger reported only a slight increase in
2480 sales through fiscal year 2023, but its sales and operating
2481 profits have continued to rise, I mean, to the point of
2482 almost 45 percent in 2023 alone. So sales stayed stagnant,
2483 prices and profits up.

2484 Also in an email disclosed by a court filing, a Kroger

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2485 executive even admitted that milk and egg prices were
2486 significantly higher than what was needed to account for
2487 inflated costs. And this happens with dairy, as well.

2488 So the high prices we are seeing at the grocery stores,
2489 by the way, are not just from these hikes at the stores
2490 themselves. There is gouging all along the supply chain.
2491 For example, three companies, Coca-Cola, PepsiCo, and Keurig
2492 Dr. Pepper, control 90 percent of the bottled beverage
2493 industry sold in the U.S. They have all cut production, they
2494 have all increased prices. So they are selling less, making
2495 their costs of production lower, but they are making
2496 significantly more profit, and they pass that on to the
2497 grocery stores. But then that doesn't just get passed on to
2498 us; the grocery stores pad those prices even more.
2499 Basically, they are blaming inflation to cause even more
2500 inflation. And then we expect high prices, so we continue to
2501 pay them and they deliver.

2502 Right now families in Washington State face the fourth
2503 highest average weekly grocery bill among 48 states. And at
2504 the same time I have spoken with farmers in my district who
2505 have been put out of business in the last year alone because
2506 the supermarkets keep lowballing them while charging us the

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2507 high prices.

2508 Ms. Pryor, apple prices are definitely up in the stores.

2509 Have you seen any of these profits trickle down to you?

2510 *Ms. Pryor. We have not made any more. We have
2511 actually had a slight decrease in what we have received for
2512 our crops since 2021. There is those middlemen in the
2513 middle, though. So when -- for me, unless you are a grower
2514 and have a packing facility, I -- the way that we pick ours
2515 in the 20 bushel bins, that can't go -- that is not ready to
2516 go to a grocery store. It has got to be --

2517 *Ms. Schrier. And I understand that, as well.

2518 *Ms. Pryor. And so I know there is --

2519 *Ms. Schrier. I will tell you that in my district --
2520 and you already have problems negotiating -- I am really
2521 concerned that Kroger and Albertsons are trying to merge.
2522 This means that prices will go up because there will be less
2523 competition. This will affect about half of the grocery
2524 stores in Washington State. So that is why I am calling on
2525 the FTC to block this. It would be the largest consolidation
2526 of supermarkets in U.S. history. It would be terrible for
2527 consumers with higher prices. It would be terrible for
2528 choice, and it would be even worse for the orchardists in my

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2529 district who will have zero leverage in terms of negotiating
2530 prices.

2531 So I want to call attention to corporate gouging. I
2532 want to call attention to this, that this does not help our
2533 orchardists, our other farmers, our dairymen, or other
2534 producers, that what it is doing is hurting us and not
2535 helping family farms.

2536 *Ms. Pryor. And I feel like, by you acknowledging that
2537 consolidation, imagine too if farms aren't profitable and
2538 strong, there is -- we are going to see more consolidation
2539 with smaller farmers that can't stay in business, and then
2540 that just hurts future generations, that hurts the people's
2541 ability to have choice and diversity because it takes all
2542 sizes and all types. So we don't want to see people having
2543 to sell out and be bought out by bigger farms. We want
2544 everyone to be profitable so they can stay in business.

2545 *Ms. Schrier. We need to keep our family farms, and
2546 that is what I want to see in our farm bill.

2547 Thank you very much, I yield back.

2548 *Mr. Duncan. The gentlelady yields back. I will now
2549 recognize the chair of the Republican Policy Committee and a
2550 great member from Alabama, Mr. Palmer, for five minutes.

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2551 *Mr. Palmer. Thank you, Mr. Chairman.

2552 I have heard my Democratic colleagues say -- mention
2553 several times Project 2025, and I want to tell you, as
2554 chairman of the Republican Policy Committee, there has been
2555 no collaboration, no contribution. I haven't even read the
2556 report. So if you want to keep misleading the American
2557 public about it, I caution you that we produce our own policy
2558 committee policy. So I just wanted to make that
2559 clarification for the record.

2560 I also want to point out some things that -- in 42
2561 months the Biden-Harris Administration seasonally-adjusted
2562 cumulative inflation for all goods and services has risen to
2563 19.4 percent. That is 2-1/2 times faster than the 48 months
2564 during the Trump Administration. For a family with an
2565 average income, a median priced home has not been this
2566 unaffordable since 1982. In 237 cities across the country,
2567 the average starter home price is \$1 million. The economic
2568 effects of current Federal regulations are estimated to be at
2569 least \$2.1 trillion annually. That is passed on to the
2570 consumers. That is almost equal to the entire amount of
2571 personal income taxes collected by the Federal Government.

2572 Right now the Biden-Harris Administration is on track to

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2573 add \$47,000 in net present value regulatory costs per
2574 household from rules finalized during its first term. The
2575 inflation-adjusted median income for all households under the
2576 Biden-Harris Administration has dropped by 2.3 percent.
2577 Household debt is at a record \$17.8 trillion, 3.5 trillion of
2578 that originated during the current Biden-Harris
2579 Administration.

2580 A lot of this has to do with energy policy, and I heard
2581 my colleagues talk about higher energy costs. Natural gas
2582 prices are flat. In fact, they are down four percent since
2583 August, Mr. Chairman. Oil prices are at a near three-year
2584 low, primarily because of the decline in the Chinese economy
2585 and because of concerns of a Biden-Harris-inflicted
2586 recession.

2587 So what is keeping energy costs up? What is keeping
2588 household utility prices higher is the Federal Government,
2589 the Biden-Harris Administration forcing energy companies to
2590 shift to renewables, and the added regulations that are being
2591 laid on top of people.

2592 Ms. Onwuka, in your testimony you mentioned the impacts
2593 of rising energy costs and household prices and how they
2594 impact poor, working-class families. You even shared a story

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2595 of having to -- people having to pick between paying rent,
2596 utilities, and feeding their kids. I just wanted to lay out
2597 these numbers for you.

2598 [Slide]

2599 *Mr. Palmer. And Mr. Chairman, a picture is worth 1,000
2600 words. The blue line is regulatory costs that gets passed on
2601 to people, the green column is personal income taxes. If you
2602 want to look at regulatory costs per household, the red line,
2603 it went down almost \$11,000 under President Trump. It went
2604 up \$47,000 under Biden-Harris. I think, you know, that is a
2605 \$58,000 differential right there.

2606 Would you like to comment on how this is impacting
2607 people in their daily lives, Ms. Onwuka?

2608 *Ms. Onwuka. Thank you, sir, absolutely. I think it is
2609 undermining the household financial situation.

2610 Not only are Americans still contending with high costs
2611 -- groceries, energy, utilities -- but they are also dealing
2612 with high borrowing costs because, you know, interest rates
2613 are much higher, which means your credit card debt, your
2614 mortgage payments, your car notes are much more expensive.
2615 At the same -- and so I think the household, the American
2616 household, is not as strong as it was at the start of 2021.

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2617 Savings have been spent down. As we talked about, credit
2618 card debt is at a record high right now.

2619 And then, when you look at low-income families, so many
2620 of these families, they bear a disproportionate burden of
2621 higher energy costs and higher grocery costs because they
2622 spend more of their discretionary income on it.

2623 *Mr. Palmer. This -- it is not just the poor and
2624 working-class families, Mr. Chairman. This is also retirees.
2625 Since the beginning of the Biden-Harris Administration,
2626 retirement market assets including annuities, defined benefit
2627 plans, defined contribution plans, IRAs, you know, 401(k)s,
2628 things like that, adjusted for inflation have actually gone
2629 down 6.6 percent.

2630 What we have gone through in the last four years is a
2631 tsunami of increased costs, inflation that will continue over
2632 the next four years if these policies are perpetuated and
2633 carried forward. I think the American public needs to know
2634 how this is going to impact them.

2635 It is going to impact farmers, too. Ms. Pryor, I would
2636 have loved to have had a discussion about that. I grew up on
2637 a farm in a small town in northwest Alabama, but I know what
2638 it is doing to them. And they want to eliminate hydrocarbon

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2639 fuel. They want to eliminate natural gas. They won't say it
2640 now, but that is what they want to do. That is 80 percent of
2641 the cost of ammonium nitrate fertilizer.

2642 And that is what feeds the world, Mr. Chairman. I yield
2643 back.

2644 *Mr. Duncan. The gentleman yields back. I now go to
2645 Mrs. Fletcher for five minutes.

2646 *Mrs. Fletcher. Well, thank you, Mr. Chairman, and
2647 thank you to our witnesses for taking the time to testify
2648 today.

2649 I agree with you, Chairman Duncan, with your opening
2650 statement that we still have important work to do here in
2651 this committee. Building the infrastructure to keep energy
2652 costs low for all Americans should be a priority for
2653 Congress. And there are some very real challenges in that
2654 regard for this committee to consider.

2655 I don't think this hearing is getting us there. It
2656 feels a little bit more like campaign season in here, and a
2657 lot of political talking points. I don't think that is
2658 useful, but I do think we should devote serious time and
2659 consideration to moving permitting reform legislation and
2660 other serious policy. So I hope we will have the opportunity

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2661 to do that in this Congress.

2662 As you know, my constituents in Houston have a lot to
2663 say about energy issues, and we have found common ground, Mr.
2664 Chairman, on a lot of issues. But what I worry about and
2665 what I see and hear over and over and over, including in this
2666 hearing today, is the effort to politicize energy issues and
2667 make them about politics, rather than policy. And that is
2668 incredibly dangerous.

2669 So I want to lay out a few facts to inform this
2670 discussion, but before I do that I do want to note something
2671 that you said in your testimony today, Ms. Onwuka, that you
2672 are representing women who value personal liberty. And I
2673 would note that I am sure you would agree with me, then, that
2674 when we are talking about the economic well-being of women in
2675 this country, access to reproductive health care and the
2676 ability for women to make their own decisions about whether,
2677 when, and how to have and grow their families is paramount,
2678 and that the policies in states like mine that they have put
2679 in place to restrict access to reproductive health care, to
2680 put the government between women and their doctors, and
2681 proposals to eliminate access to birth control are
2682 devastating for women on all the measures that you mentioned

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2683 in your testimony: freedom, opportunity, and well-being.

2684 So Mr. Chairman, I have a report from the Joint Economic
2685 Committee that I would like to submit for the record on this
2686 issue before I return to this subcommittee's focus on energy.

2687 *Mr. Duncan. Without objection, so ordered.

2688 [The information follows:]

2689

2690 *****COMMITTEE INSERT*****

2691

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2692 *Mrs. Fletcher. And then I want to take us back to a
2693 few energy issues and set out some important facts.

2694 At the end of 2019 the United States hit a new monthly
2695 peak for domestic crude oil production at just under 13
2696 million barrels a day. More than 800 oil and gas rigs were
2697 up and operating and drilling here in the United States.
2698 When the pandemic hit, upstream oil and gas production
2699 collapsed under unprecedented demand destruction. At one
2700 point WTI crude oil was trading at less than \$0 a barrel. So
2701 comparing the price of gasoline during the height of the
2702 pandemic when travel was at a standstill to today, when we
2703 just had a record-breaking summer for vacation spending, is
2704 disingenuous.

2705 Under the Biden-Harris Administration, crude production
2706 has again returned to record highs, more than 13 million
2707 barrels a day for the 2024 calendar year. And U.S. energy
2708 exports in 2023 were also the highest on record. Now, I
2709 heard you say earlier, Mr. Chairman, that this is a carryover
2710 from prior administrations, and it is true that the Obama
2711 Administration lifted the crude oil export ban with this
2712 Congress, and other administrations conducted lease sales and
2713 other things that have led to the production that we are

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2714 seeing today.

2715 But let's not forget where we were at the beginning of
2716 2021, when the Biden-Harris Administration began, and where
2717 we are today, and focus on policies that can help us address
2718 the real issues facing Americans. Gas prices are currently
2719 averaging \$3.29 a gallon and continue to move downward. They
2720 are facing downward pressures, and analysts think that it is
2721 going to go below \$3 a gallon this fall. WTI crude prices
2722 hit a 3-year low yesterday, falling to \$66 a barrel, as Mr.
2723 Palmer just mentioned. And when it comes to home energy
2724 prices, the Inflation Reduction Act is expected to save
2725 American families up to \$38 billion on their electric bills
2726 in the next 6 years.

2727 The investments in the IRA will continue to build our
2728 energy economy and create new jobs across the country. It is
2729 expanding sources of energy, which is important, as we know
2730 in this committee that energy demand is continuing to grow.

2731 So there is a lot of data. There is a lot of
2732 information out there. I know that groups have found that
2733 there have been nearly \$500 billion in new funding announced
2734 for clean energy funding in -- over the period preceding the
2735 IRA. These investments are going to continue to lower energy

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2736 prices in the coming years.

2737 But not everyone thinks we should continue these
2738 investments, and what we are seeing is that the Project 2025
2739 calls for a future Trump Administration, if it comes into
2740 being, to push for legislation to repeal dozens of credits
2741 and tax breaks for green energy companies in the Inflation
2742 Reduction Act.

2743 My constituents in Texas, in the traditional energy
2744 space as well as in the innovation space, are working with
2745 the IRA, not against it. And they are counting on the
2746 incentives in the IRA when they are making business decisions
2747 today. Across the board they want reliable, durable policy
2748 to inform their decision-making about their investments for
2749 short and long-term strategies.

2750 So with that in mind, I am going to ask Mr. Higgins for
2751 the record -- and I will submit it in writing -- to just talk
2752 about what a repeal of the IRA would mean as Project 2025
2753 proposes, and what that would mean for domestic energy
2754 investment in the United States.

2755 [The information follows:]

2756

2757 *****COMMITTEE INSERT*****

2758

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2759 *Mrs. Fletcher. And since that took all my time, I will
2760 yield back. Thank you, Mr. Chairman.

2761 *Mr. Duncan. The gentlelady yields back. I will now go
2762 to Mr. Balderson for five minutes.

2763 *Mr. Balderson. Thank you, Mr. Chairman. Thank you all
2764 for being here today.

2765 Mr. Fisher, in your testimony you referenced the
2766 concerning energy transition in a PJM report from 2023, which
2767 I like to refer to as the 4Rs report. As you know, this
2768 report confirmed that at the same time the region is seeing a
2769 historic increase in demand on the grid from electrification
2770 and data centers, we are forcing too much of our existing
2771 reliable generation offline through misguided state and
2772 Federal policies. The 4Rs report was released well before
2773 the EPA finalized their Clean Power Plan 2.0, which only
2774 compounded the issues facing our grid.

2775 The results of the increasing demand and tightening
2776 supply were seen in PJM's recent capacity auction, in which
2777 we saw the total cost to consumers jump from just over \$2
2778 billion in the last auction to nearly \$15 billion this
2779 summer.

2780 I know we have touched on the PJM auction earlier in

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2781 this hearing, but I would like to follow up, as this is one
2782 of my top priorities. Amazon, Google, Meta, Microsoft, and
2783 QTS all have data center operations in the district that I
2784 represent, and I am extremely grateful these companies are
2785 investing in Ohio. But we do need to pay attention to the
2786 increasing demand on the grid, and we need to analyze the
2787 negative impact EPA's power sector rules will have on our
2788 constituents.

2789 Mr. Fisher, as we begin to see the impacts of the Clean
2790 Power Plan 2.0 on generation and retirements, will retail
2791 electricity prices continue to increase?

2792 *Mr. Fisher. Yes, I think that is almost a given. And
2793 especially with the increased demand, as we are seeing from
2794 new industrial load like the data centers that you are
2795 talking about, increasing demand while we are decreasing
2796 supply, it is a formula for skyrocketing prices.

2797 *Mr. Balderson. Thank you. You have mentioned your
2798 concerns with the long-term impact of the Inflation Reduction
2799 Act distorting prices in the market, and what that means for
2800 consumers. Right now we are seeing a significant increase in
2801 renewable projects entering interconnection queues.

2802 At the end of last year PJM's queued capacity by fuel

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2803 type included 43,000 megawatts of wind energy, 148,000
2804 megawatts of solar, and less than 6,000 megawatts of natural
2805 gas. But at the same time, approximately 38,000 megawatts of
2806 mostly renewable resources have already cleared PJM's
2807 interconnection queue but not being built.

2808 Mr. Fisher, are you concerned by the lack of natural gas
2809 and nuclear projects entering the connection queues?

2810 And what does this mean for energy costs for our
2811 constituents in the future?

2812 *Mr. Fisher. I am personally concerned. And it is not
2813 just me. The grid watchdog, the North American Electric
2814 Reliability Corporation, has pointed out that the changing
2815 resource mix is now the top priority in terms of the top risk
2816 for reliability that they see.

2817 *Mr. Balderson. Thank you. Looking toward the future,
2818 the EPA is actively working to further regulate the existing
2819 fleet of natural gas-fired plants under section 111 of the
2820 Clean Air Act. We are expecting the EPA to release this
2821 proposal in December.

2822 Mr. Fisher, if the EPA follows the same logic they used
2823 in the Clean Power Plan 2.0 for this upcoming rule covering
2824 existing gas combustion turbines, what will the impact be on

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2825 the cost for our constituents?

2826 *Mr. Fisher. Again, I hate to keep using the word
2827 "skyrocket," but that is exactly what is going to happen.
2828 What they have done is they have mandated the impossible.
2829 They think it is possible to capture 90 percent of carbon
2830 emissions from power plants, from all of them, and that is
2831 just not possible.

2832 So what we are going to see is, instead, if you are a
2833 power plant operator and you have the choice between doing
2834 the impossible and just shutting down, they are just going to
2835 shut down.

2836 *Mr. Balderson. Yes, I agree. Thank you. I am going
2837 to shift over to Ms. Pryor.

2838 Thank you for being here today and discussing the
2839 impacts of the inflation and higher energy prices under this
2840 Administration. As a former farmer who operated my family
2841 farm for many years, I know firsthand how much misguided
2842 Federal policies can impact our operations. Can you discuss
2843 how electrical vehicle mandates at the Federal level,
2844 especially medium and heavy-duty EV mandates, may impact your
2845 operations in the entire supply chain that you rely on to
2846 ultimately get your products on shelves?

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2847 *Ms. Pryor. EV is just not practical for agriculture as
2848 a whole. It was mentioned earlier about the weights. You
2849 know, how heavy the truck is limits what you can haul, and so
2850 when every bushel you can put on is going to then reduce the
2851 amount of diesel you are using, you are going to have a trade
2852 out, either -- you know, one way or the other.

2853 Being able to stop for a charge when you are hauling
2854 things that are sensitive to heat or cold, or livestock that
2855 can't just sit and wait while you charge would be huge
2856 factors. I feel like it would make prices be even higher,
2857 because it is going to cost more to take safeguards to
2858 protect those things while you are hauling them if they are
2859 having to sit and wait.

2860 *Mr. Balderson. I agree. Thank you very much.

2861 Mr. Chairman, I yield back.

2862 *Mr. Duncan. All right, the gentleman yields back. I
2863 now go to Ms. Castor from Florida for five minutes.

2864 *Ms. Castor. Great. Thank you, Mr. Chairman. Thank
2865 you so much for organizing this hearing, because it really
2866 gives us an opportunity to contrast all of the hard work that
2867 Democrats have put in to lower costs for families, to put
2868 money back into their pocketbooks, and contrast it with the

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2869 looming far-right Project 2025 that would make life much more
2870 expensive for our neighbors.

2871 And I know we have been focused a lot on energy, but
2872 there was a report that came out just yesterday from the
2873 Treasury Department focused on health care costs. And
2874 because in the Energy and Commerce Committee over a decade
2875 ago we hammered out the Affordable Care Act, that report said
2876 that over 50 million Americans have gone shopping in the
2877 health care marketplace to find an affordable health care
2878 plan over time. That is about one out of seven Americans
2879 that have taken advantage.

2880 But this really hits home for me, representing the State
2881 of Florida, because one out of every -- about one out of
2882 every three Floridians have taken advantage of the Affordable
2883 Care Act, the entrepreneurs that don't have a health plan by
2884 a big employer, the folks who have fallen through the gaps,
2885 that -- over 6.7 million Floridians just over the past 10
2886 years have gone shopping and found an affordable plan. That
2887 reflects the fact that more people in America have health
2888 coverage today than ever before.

2889 That is something we can be proud of. They have peace
2890 of mind that, if they are diagnosed with something serious or

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2891 something minor, they are not going to be destitute in their
2892 lifetimes. And it really contrasts with the proposal for
2893 Project 2025 that proposes to roll back a lot of those
2894 consumer protections, everything that we did to prohibit
2895 discrimination for preexisting conditions, everything to
2896 ensure that kids can stay on their parents' plans until age
2897 26.

2898 And then the Inflation Reduction Act helped make those
2899 plans less expensive for families. Because of our work
2900 through the Inflation Reduction Act, people are saving about
2901 \$800 per year on their health coverage, and we are not going
2902 to go back. We are not going to allow folks to bring this
2903 devious Project 2025, and make life more expensive for them.

2904 It has been the IRA that has capped the price of insulin
2905 at \$35 per month for our neighbors on Medicare. Finally,
2906 Medicare has the ability to negotiate drug prices, something
2907 that we have focused on for years and something that -- I
2908 don't care if you are a Republican, Democrat, independent,
2909 you have been crying out for relief on high drug costs. And
2910 now, through the Biden-Harris Administration, they have
2911 negotiated lower prices. The price cap for our neighbors on
2912 Medicare at \$2,000 for drug prices is coming into effect

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2913 shortly.

2914 These are real savings and real money back into the
2915 pockets of our neighbors, and we are not going to let some
2916 hidden devious plan, Project 2025, make life more expensive.
2917 We are just not. We are going to stand up to the powerful
2918 special interests and fight for our neighbors back home.

2919 It is also been the Inflation Reduction Act that has
2920 made electric bills more affordable. Coming from the State
2921 of Florida, the Tampa Bay Times and the FSU Center for
2922 Economic Forecasting did an analysis to answer the question,
2923 "What has driven the higher cost hikes in Florida on electric
2924 bills?" We used to be 13th in the nation, now the fourth
2925 highest cost. And they determined it is the over-reliance on
2926 gas. You would think in Florida, the Sunshine State, we
2927 would power our lives through the free and abundant energy of
2928 the sun. Seventy-five percent of our electricity generation
2929 comes from gas because the electric utilities have a
2930 sweetheart deal on all of this. But thankfully, the
2931 Inflation Reduction Act has pushed back on a lot of those
2932 special interests.

2933 Another report that just came out said that, thanks to
2934 the Inflation Reduction Act, more than 165,000 Floridians

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2935 claimed the residential Clean Energy Tax Credit this year,
2936 saving \$715 million on their electric bills through a tax
2937 cut, plus more than 154,000 Floridians claimed the Energy
2938 Efficiency Home Improvement Credit for up to \$3,200 for
2939 installing more energy efficient windows, insulation, heat
2940 pumps, and they have saved over \$131 million.

2941 But beware, because Project 2025 proposes to roll back
2942 those savings, really rip the carpet out from under our
2943 neighbors. We are not going to let it happen. People need
2944 these savings. They need these monies. We have to reduce
2945 pollution.

2946 And I really appreciate you all calling this hearing so
2947 that we can point out the contrast between what Democrats
2948 have done to lower bills and lower costs --

2949 *Mr. Duncan. The gentlelady's time has expired.

2950 *Ms. Castor. -- and what Project 2025 would do to their
2951 pocketbooks.

2952 Thank you, I yield back.

2953 *Mr. Duncan. The chair will now go to Mr. Pfluger for
2954 five minutes.

2955 *Mr. Pfluger. Thank you, Mr. Chairman.

2956 Mr. Higgins, are you accusing Scott Sheffield of

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2957 collusion with OPEC?

2958 *Mr. Higgins. No, sir. I --

2959 *Mr. Pfluger. Your statement earlier made it seem like
2960 that.

2961 *Mr. Higgins. I was trying to respond to the question
2962 about the FTC --

2963 *Mr. Pfluger. Have you accused Scott Sheffield of
2964 collusion with OPEC?

2965 *Mr. Higgins. I have not.

2966 *Mr. Pfluger. It sounded like that is what your
2967 statement was earlier.

2968 *Mr. Higgins. No, I was --

2969 *Mr. Pfluger. When we talk about weaponization of a
2970 government agency, this is it. This is it. The FTC, based
2971 on Biden's campaign promise in 2019 to end fossil fuels,
2972 coming after a private citizen and not allowing the due
2973 process to actually occur. This is the weaponization that we
2974 are talking about right here. Lots of questions being asked
2975 about his communications, but no opportunity to actually
2976 answer them. When we talk about the exchanges of text
2977 messages with OPEC that are all publicly available, I think
2978 we need to get to the facts here.

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2979 Do you support due process for Scott Sheffield?

2980 *Mr. Higgins. No, I support the FTC's process --

2981 *Mr. Pfluger. Do you support due process, as an
2982 American?

2983 *Mr. Higgins. Sure.

2984 *Mr. Pfluger. Okay. So you support him having due
2985 process?

2986 *Mr. Higgins. Sure.

2987 *Mr. Pfluger. So you would ask Lina Khan to have due
2988 process?

2989 *Mr. Higgins. I haven't spoken to the FTC.

2990 *Mr. Pfluger. Maybe you should. We are talking about
2991 attacking Mr. Sheffield for certain statements.

2992 The FTC ignores Mr. Sheffield's role in expanding U.S.
2993 production over the past couple of decades. The shale
2994 revolution has actually expanded, and my Democrat colleagues
2995 have pointed out, rightfully, that we are producing more.

2996 Are you pro-fracking, Mr. Higgins? Do you believe in
2997 fracking?

2998 *Mr. Higgins. I believe it exists.

2999 *Mr. Pfluger. Do you believe in it? Are you a advocate
3000 of fracking?

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3001 *Mr. Higgins. I do not advocate for more fracking.

3002 *Mr. Pfluger. So you disagree with Kamala Harris?

3003 *Mr. Higgins. Pardon?

3004 *Mr. Pfluger. You disagree with Vice President Harris,
3005 who has said now she is pro-fracking.

3006 *Mr. Higgins. I think Senator -- Vice President Harris
3007 said that the Inflation Reduction Act's investments in clean
3008 energy --

3009 *Mr. Pfluger. Do you believe --

3010 *Mr. Higgins. -- question to ban fracking is no longer
3011 relevant.

3012 *Mr. Pfluger. No, that is not what she said. She has
3013 very clearly flip-flopped on her position in the last month
3014 or so. She has said she is now pro-fracking. Do you believe
3015 she is pro-fracking?

3016 *Mr. Higgins. I can't make political statements, sir.

3017 *Mr. Pfluger. You can -- I mean, you are here as a
3018 witness. I am asking you a question. Do you believe she
3019 supports fracking?

3020 *Mr. Higgins. I would refer to her statements last
3021 night at the debate.

3022 *Mr. Pfluger. Do you support fracking?

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3023 *Mr. Higgins. I do not advocate for expanded fracking.

3024 *Mr. Pfluger. So you disagree with her statements last
3025 night?

3026 *Mr. Higgins. I can't make political statements, sir.

3027 *Mr. Pfluger. But you can make a judgment on whether or
3028 not you agree with her or not.

3029 *Mr. Higgins. I agree with the statement that the
3030 Inflation Reduction Act has made the --

3031 *Mr. Pfluger. Are you paying more for household goods
3032 today than you did in 2021?

3033 *Mr. Higgins. In 2021? You mean during --

3034 *Mr. Pfluger. No, no, as just --

3035 *Mr. Higgins. During COVID?

3036 *Mr. Pfluger. -- gas, groceries, just normal stuff.

3037 *Mr. Higgins. Right. So, like, during COVID, you know,
3038 maybe around the time right before Russia invaded Ukraine, I
3039 think those were tough times. And prices are higher today --

3040 *Mr. Pfluger. Mr. Higgins, are you paying more today
3041 than you were in 2021?

3042 *Mr. Higgins. Yes, prices are higher today than 2021.

3043 *Mr. Pfluger. Okay, thank you. The Bureau of Labor has
3044 come out with statistics and, on average, Americans are

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3045 paying \$1,095 more per month than they did in January of
3046 2021. This is from the Federal Government today. Do you
3047 believe in that statement?

3048 *Mr. Higgins. Sure.

3049 *Mr. Pfluger. Okay, very good. Households are paying
3050 an estimated \$148 more per food, \$260 more for shelter, \$129
3051 more per month on energy, on average. It is about \$30,000
3052 more a year. Do you believe in that?

3053 *Mr. Higgins. I do. Also, wages are higher, employment
3054 is higher.

3055 *Mr. Pfluger. Do you believe that we are paying more
3056 now than we were in 2021? Do you believe that inflation is
3057 higher and has led to a \$30,000 increase per year annually
3058 for goods?

3059 *Mr. Higgins. Prices are higher, but inflation is down
3060 to 2.5 percent as of this morning.

3061 *Mr. Pfluger. So inflation is 2.5 percent for the last
3062 4 years?

3063 *Mr. Higgins. No, no, I am saying prices are higher now
3064 than they were then. But the rate of inflation today is down
3065 to 2.5 percent, which is more than 3/4 --

3066 *Mr. Pfluger. Thank --

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3067 *Mr. Higgins. -- or 3/4 lower than --

3068 *Mr. Pfluger. Thank you. Thank you very much.

3069 The weaponization from this Administration on the energy
3070 industry that underpins our economy is nothing short of
3071 absolutely tragic. Hundreds of thousands of American jobs,
3072 the absolute necessity for every Main Street business, for
3073 every household, for our military, for national security
3074 purposes.

3075 And to hear that -- and I am glad you actually said you
3076 were not for fracking -- that we now have to ask questions of
3077 the vice president to see where her position is, thank you
3078 for actually stating the obvious. I was going to ask you to
3079 write an op ed with me, a pro-fracking op ed, but we know
3080 where you stand.

3081 I think the question in our minds is we don't know where
3082 Vice President Harris stands on this, because we are pretty
3083 sure that she is against fracking. We are pretty sure she is
3084 against American energy. We are pretty sure that the
3085 Administration in the last four years has done everything
3086 they can to put a target on the industry that actually
3087 underpins our economy and reduces prices of everything.

3088 Mr. Chairman, my time has expired, I yield back.

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3089 *Mr. Duncan. The gentleman yields back. I now go to
3090 Mr. Cardenas for five minutes.

3091 *Mr. Cardenas. Thank you very much, Chairman Duncan and
3092 also Ranking Member DeGette, for holding this hearing. And I
3093 want to thank the witnesses for being here, sharing your
3094 opinions and, in some cases, your expertise on the facts.

3095 Mr. Chairman, I would like to -- I submitted a copy to
3096 the committee of this document that I would like to submit
3097 for the record, and it is directly from the Heritage
3098 Foundation website.

3099 *Mr. Duncan. Without objection, so ordered.

3100 [The information follows:]

3101

3102 *****COMMITTEE INSERT*****

3103

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3104 *Mr. Cardenas. Thank you. It is titled, "Trump
3105 Administration Embraces Heritage Foundation Policy
3106 Recommendations,'" not prospectively, but this is dated from
3107 their website on January 23, 2018, in the middle of Trump's
3108 presidency.

3109 Unfortunately, the rhetoric we have heard today from
3110 Republicans blaming the Biden-Harris Administration for
3111 rising costs has been rife with misinformation for their own
3112 political gain. The truth of the matter is that Republicans
3113 are not serious about protecting everyday Americans. In
3114 fact, their current proposed policies and future policy plans
3115 sell out the very people they are sworn to protect.

3116 To understand this we must look not further than the
3117 very policy playbook created for a Trump potential
3118 presidency, Project 2025. Among many listed proposals
3119 included in Project 2025, the 900-page plan calls for -- to
3120 consolidate power into the presidency, place the Justice
3121 Department squarely under Donald Trump's authority, gut civil
3122 service, and abolish many critical government agencies like
3123 the Department of Education. None of this sounds like
3124 protecting the American people, because it isn't. What it
3125 does sound like, however, is how a party plans to dismantle

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3126 democracy.

3127 Unsurprisingly, Project 2025 does nothing to address the
3128 climate crisis and lowering its associated root causes.

3129 Absent of any pollution reduction goals, Project 2025 sets
3130 out to gut the regulatory bodies that protect our air and
3131 water quality, eliminate longstanding programs that support
3132 clean energy, and radically expand oil and gas drilling.

3133 And unfortunately, Republicans here in Congress have
3134 already been hard at work to pave the way for this very
3135 agenda. They have, for example, tried to pass legislation
3136 that would allow unlimited exports of liquefied natural gas,
3137 gut energy efficiency standards for appliances, and repeal
3138 the Inflation Reduction Act. If successful, their efforts
3139 will dramatically worsen the climate crisis, which -- and
3140 let's be clear, has already proven to be very deadly. But
3141 since Republicans would like to talk about costs, let's talk
3142 about how their plans will impact costs for everyday
3143 Americans.

3144 Mr. Higgins, you mentioned in your testimony that the
3145 Project 2025 agenda would "lock the United States into
3146 continued greenhouse gas emissions of more than 4.7 gigatons
3147 every year from now through 2050 and beyond.'" Can you

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3148 describe the near and long-term public health costs that we
3149 would expect to be associated with emissions at that scale?

3150 *Mr. Higgins. For the United States to continue
3151 emitting greenhouse gases at that rate, it would make it
3152 impossible for the world to reach net zero emissions like we
3153 need to do by mid-century. And failing to stabilize global
3154 temperatures at 1.5 degrees would lead to very significant,
3155 very near-term impacts: wildfire risk; the exposure to
3156 wildfire pollution, as a result; extreme heat, which can be
3157 deadly; and the list goes on.

3158 We are already seeing the effects today at less than 1.5
3159 degrees, and continuing to emit at that rate would be
3160 disastrous.

3161 *Mr. Cardenas. And extreme weather patterns both wet
3162 and dry, right, like we have not seen in God knows how long?

3163 *Mr. Higgins. That is right, both droughts and extreme
3164 flooding.

3165 *Mr. Cardenas. Okay, thank you. The scientific
3166 community agrees that the climate crisis is accelerating and
3167 -- climate disasters across our nation. And there are
3168 undoubtedly costs associated with those disasters, both --
3169 not only to the economy, but everyday lives of Americans.

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3170 Can you describe how growing disaster risk will impact
3171 costs for Americans, particularly if the climate crisis goes
3172 unchecked?

3173 *Mr. Higgins. So costs are one of the -- extreme
3174 weather is one of the primary drivers of costs. In 2023,
3175 last year, global droughts across multiple different
3176 countries at the same time as Russia's attacking the grain
3177 supplies in Ukraine contributed to the high energy -- or the
3178 high food prices globally.

3179 You also see the disasters which happen to have a
3180 disproportionately rough impact on low-income households,
3181 including households that are in floodplains, and that is
3182 passed on more broadly through insurance rates. And all of
3183 these costs are extreme for households.

3184 *Mr. Cardenas. You mentioned, and I quote, "fighting
3185 climate change fights inflation.'" Can you give us an
3186 example of that?

3187 *Mr. Higgins. Yes. So if we can stabilize global
3188 temperatures at 1.5 degrees, not only does that mean we have
3189 invested in cleaner energy forms and improved energy
3190 efficiency, it means that we are avoiding the worst of the
3191 extreme weather yet to come.

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3192 *Mr. Cardenas. Thank you. Thank you very much.

3193 My time having expired, I yield back, Mr. Chairman.

3194 *Mr. Duncan. The gentleman yields back. I will now go
3195 to the gentleman from Maryland acting as ranking member, Mr.
3196 Sarbanes, for five minutes.

3197 *Mr. Sarbanes. Thanks very much, Mr. Chairman. Thank
3198 you all for being here.

3199 Our Republican colleagues keep suggesting that moving
3200 forcefully and deliberately towards a clean energy future is
3201 raising costs for consumers all over the place. But in fact,
3202 the failure to embrace that transition, that clean energy
3203 transition, can lead to higher energy prices.

3204 A PJM capacity auction in the Mid-Atlantic a few weeks
3205 ago demonstrated this. PJM's lack of transmission upgrade
3206 planning has forced the continued operation of a coal-fired
3207 plant, power plant, in Maryland that is going to mean higher
3208 prices for Maryland ratepayers. So the fact is that more
3209 clean energy production, better planning, integrating that
3210 new clean energy is the best path forward for the climate;
3211 frankly, for the energy industry; and certainly, for
3212 consumers out there.

3213 Mr. Higgins, could you talk about the importance of the

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3214 Biden Administration's efforts to make it easier for sources
3215 of clean energy to connect to the grid, as well as accelerate
3216 build-out of transmission infrastructure?

3217 How will FERC's recent rules on interconnection and on
3218 Regional Transmission Planning Order Nos. 2023 and 1920,
3219 which you are very familiar with, help bring affordable,
3220 clean energy to Maryland and across the country?

3221 *Mr. Higgins. The grid is going through a remarkable
3222 transformation right now as the demand for electricity is
3223 growing due to things like data centers and all of the new
3224 battery manufacturing facilities that have been spurred by
3225 IRA. We are in the middle of a manufacturing renaissance,
3226 and the Inflation Reduction Act is solving for the economics
3227 of adding new clean electricity.

3228 And the Federal Energy Regulatory Commission is trying
3229 now to solve for the challenge of getting all those new
3230 resources connected to the grid at the times we need them and
3231 the places we need them, including through transmission lines
3232 to connect between where the resources are strong and where
3233 the demand is needed. All of this is going to be really
3234 important to be able to meet that rising demand.

3235 But the retail implications are significant if we can't

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3236 manage to do both, and that is why being able to match
3237 investments with standard setting and a firm regulatory
3238 commission is so important.

3239 *Mr. Sarbanes. I appreciate that.

3240 Under the Biden-Harris Administration's goal, 80 percent
3241 of the U.S. energy capacity will come from renewables by
3242 2030. Also by 2030, American families are anticipated to
3243 save up to \$38 billion on their electricity bills, thanks to
3244 the Inflation Reduction Act, which you just mentioned. So
3245 clean energy goes hand in hand with savings, yet for some
3246 reason our Republican colleagues are trying to sabotage this
3247 effort.

3248 Mr. Higgins, can you talk about how efforts to dismantle
3249 these tax credits and these clean energy technology
3250 incentives that were in the Inflation Reduction Act and which
3251 lower bills and foster our low-carbon domestic power sector
3252 threaten our ability to meet our clean energy goals?

3253 I mean, these things are really producing the change we
3254 want to see, moving us in a steady way towards that clean
3255 energy future. What do we risk and what will American
3256 families lose if attempts to roll back these incentives,
3257 these credits, and so forth are successful?

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3258 *Mr. Higgins. Under current policy, between the
3259 standards and the incentives and the new rules that we talked
3260 about just a minute ago from FERC, we are looking at
3261 increasing the amount of wind and solar additions to the grid
3262 from about 20 gigawatts per year, which is the average over
3263 the last 5 years, to 200 gigawatts a year in the 2030s. We
3264 are talking about a massive new construction effort with
3265 enormously beneficial impacts on the electricity grid,
3266 because these sources are going to be so much cheaper.

3267 If we yank those tax credits away in the middle of that
3268 effort or, even worse, cut the manufacturing investments that
3269 are making it possible for that to be done here in America,
3270 we are going to leave ourselves exposed, less competitive in
3271 the global market, and we are going to see higher electricity
3272 rates as a result than we would otherwise.

3273 *Mr. Sarbanes. It would be crazy to do it because you
3274 got -- you have industries now all shifting and moving
3275 structurally in a major way in this new direction. And to
3276 pull the rug out from under them would really work against
3277 our interests as a nation.

3278 So thank you very much. I yield back.

3279 *Mr. Duncan. The gentleman yields back. I now go to

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3280 Dr. Joyce for five minutes.

3281 *Mr. Joyce. Thank you, Chairman Duncan and Ranking
3282 Member DeGette, for allowing me to waive on to today's
3283 hearing. And thanks for the witnesses for appearing with us
3284 today.

3285 The main takeaway from this hearing should be simple,
3286 and actually something that every elementary student in my
3287 district knows, and that is that decisions have consequences.
3288 Over the last three-and-a-half years, the Biden-Harris
3289 Administration has made policy decisions that have attacked
3290 the American energy industry, and now my constituents are
3291 seeing those consequences each and every day at the pump, at
3292 the grocery store, and in their utility bills.

3293 The most recent capacity auction for PJM in July hit a
3294 record high of \$14.7 billion. That is more than \$2 billion
3295 that the ratepayers, my constituents, will have to pay. As a
3296 Pennsylvanian, and as we heard last night, every four years
3297 national figures come to the Commonwealth and flip flop their
3298 position on fracking, and finally accept that it is giving
3299 our nation clean, reliable, and affordable energy. In the
3300 communities that I proudly represent we already know those
3301 benefits, and we don't change our minds every four years.

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3302 As I traveled throughout my district in August there was
3303 clear frustration with these higher prices because people
3304 know that by unleashing the energy that is under the feet of
3305 my constituents, inflation should be cut in half and energy
3306 prices could be stabilized. We heard this from business
3307 leaders like the CEO of EQT, Toby Rice, when he said, "I have
3308 been hearing the Administration tout the fact that we are
3309 producing record numbers of energy, yet still energy costs
3310 are up 30 percent."

3311 We need to be doing more, and we can be doing more to
3312 unleash American energy. It is within our power to reclaim
3313 not only American energy independence, but American energy
3314 dominance. In 2023 the U.S. produced 36 percent more crude
3315 oil than Saudi Arabia, despite the obstacles put in place by
3316 the Biden-Harris Administration. With new interstate
3317 pipelines, Pennsylvania could produce the natural gas needed
3318 to provide power to the entire East Coast. With common-sense
3319 policies, we can have clean, reliable, affordable domestic
3320 energy sources to unlock economic growth and release pressure
3321 that has put inflation on American families, on American
3322 farmers, and American growers.

3323 Ms. Pryor, I am honored to have an apple grower testify

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3324 in front of our committee today. My district in Pennsylvania
3325 is blessed with large amounts of peaches and apples from the
3326 orchards, and I was able to walk through some of these
3327 orchards just a few weeks ago. You, as a farmer, you as an
3328 apple grower specifically, how do these high energy costs
3329 affect your operations?

3330 *Ms. Pryor. Petroleum products in particular influence
3331 so many things, prices of other things: fertilizer,
3332 packaging, and actual fuel. So it is not just affecting the
3333 fuel that we use, the physical fuel that we use, the gas and
3334 diesel, it is the other products.

3335 You know, the letter that the other gentleman was
3336 talking about from his constituents saying it doubled, that
3337 is very accurate. Our fertilizer prices have doubled, and
3338 that is a huge expense to start with. So when they are
3339 increased even more, it makes a big difference.

3340 *Mr. Joyce. Does that affect your bottom line?

3341 *Ms. Pryor. Absolutely, yes.

3342 *Mr. Joyce. Has it affected your bottom line this year?

3343 *Ms. Pryor. Yes.

3344 *Mr. Joyce. Mr. Fisher, as I mentioned earlier, the
3345 last PJM capacity auction hit a record high of \$14.7 billion.

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3346 Why has it become so expensive to keep baseload generating
3347 capacity online?

3348 And how does this Administration's policies,
3349 particularly the EPA rules, affect the market?

3350 *Mr. Fisher. The EPA power plant rules are directly
3351 responsible for shutting down a significant amount of supply,
3352 so we are taking supply off.

3353 As you know, the PJM region is growing. There are a lot
3354 of data centers there, new manufacturing, et cetera. So we
3355 have a very predictable outcome from reduced supply and
3356 increased demand, which is skyrocketing prices.

3357 *Mr. Joyce. So Mr. Fisher, if this trajectory of record
3358 high prices for capacity continues, how will that affect my
3359 constituents who are ratepayers within the PJM
3360 interconnection?

3361 *Mr. Fisher. So, as I noted, I am a resident of the
3362 State of Maryland. The Maryland Consumer Council has
3363 estimated that retail costs could go up by 24 percent. I
3364 don't know if that is true for every state, but it is a
3365 significant cost that will certainly filter down to retail
3366 rates.

3367 *Mr. Joyce. Ms. Onwuka, 119,000 families in my district

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3368 make less than \$55,000 a year. Can you please explain why
3369 working-class Americans, those who can least afford it,
3370 disproportionately suffer when energy costs increase?

3371 *Ms. Onwuka. Thank you. Low-income families spend
3372 disproportionately more of their disposable income on gas, on
3373 groceries, on those essential items. And so when gas prices
3374 rise, when energy prices rise, they are going to be spending
3375 more money. And we see that low-income families tend to be
3376 the ones who suffer from energy hurdles, whether it is
3377 heating or cooling their homes, as well as just being able to
3378 get to and from work.

3379 *Mr. Joyce. Let me conclude with we can decrease that
3380 suffering on middle-class families by unleashing the power
3381 that lives and resides and is capable of being extracted
3382 underneath the feet of my constituents in Pennsylvania.

3383 Thank you again for allowing me to waive on, Mr.
3384 Chairman, and I yield back.

3385 *Mr. Duncan. The gentleman yields back. That concludes
3386 the hearing.

3387 I would like to thank all of our witnesses for being
3388 here today.

3389 Members may have additional written questions for you

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3390 all. I will remind members they will have 10 business days
3391 to submit those questions for the record, and I will ask the
3392 witnesses to do their best to submit responses within 10
3393 business days from receipt of the questions.

3394 I ask unanimous consent to insert in the record
3395 documents included on the staff hearing documents list.

3396 Without objection, that will be the order.

3397 [The information follows:]

3398

3399 *****COMMITTEE INSERT*****

3400

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3401 *Mr. Duncan. And again, thank you all for being here
3402 and, and without objection, we will stand adjourned.
3403 [Whereupon, at 12:54 p.m., the Subcommittee was
3404 adjourned.]