

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

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MEMORANDUM

February 3, 2025

TO: Members of the Subcommittee on Energy
FROM: Committee Majority Staff
RE: Hearing titled “Powering America’s Future: Unleashing American Energy”

I. INTRODUCTION

The Committee on Energy and Commerce has scheduled a hearing on Wednesday, February 5, 2025, at 10:15 a.m. (ET) in 2123 Rayburn House Office Building. The title of the hearing is “Powering America’s Future: Unleashing American Energy.” The hearing will explore how expanding domestic American energy production and delivery protects national security, lower costs for households, and fuels economic growth, particularly in manufacturing and information technology.

II. WITNESSES

- **Amanda Eversole**, Executive Vice President and Chief Advocacy Officer, American Petroleum Institute
- **Brigham McCown**, Senior Fellow and Director, Initiative on American Energy Security, the Hudson Institute
- **Gary Arnold**, Business Manager, Denver Pipefitters Local 208
- **Tyler O’Connor**, Partner, Crowell & Moring LLP (*Minority*)

III. BACKGROUND

Energy is essential to the nation’s economy, its productive capacity, its security, and the health and welfare of the public.

Blessed with tremendous natural resources and an economic system that fosters the free flow of capital to support innovation and technological capabilities, the United States maintains the most sophisticated and efficient systems of energy production and delivery in the world. Its vast and complex electricity systems deliver uninterrupted power to the public, manufacturers, and industry. These energy systems serve to provide for the affordable, reliable energy and electric power necessary to expand America’s security and create the goods and services essential to a modern economy, along with providing for the public welfare.

A. American Energy Production and National Security

America's shale revolution transformed the nation's energy posture in the world and underscores the benefits of American energy expansion. The nation has emerged as the world's number one producer of oil and natural gas, and the number one exporter of liquefied natural gas (LNG). This status as a leading world producer and exporter of oil and gas has brought significant benefits to the domestic economy, U.S. energy security, and allies overseas.

Since 2016, U.S. LNG is estimated to have contributed \$408 billion to our domestic Gross Domestic Product and supports 273,000 direct, indirect, or induced jobs. Expanded U.S. LNG exports also benefit U.S. energy security and national security by reducing the influence of Russia and the Organization of Petroleum Exporting Countries (OPEC) in international markets. Russia's war on Ukraine exposed the world's vulnerability to unstable energy suppliers, especially in Europe, emphasizing the importance of stable, secure, and more affordable American natural gas supplies. In the wake of Russia's invasion of Ukraine, U.S. LNG replaced upwards of 50 percent of Russian natural gas importations into European nations.¹

Energy exploration and production provide immense economic benefits to states and local municipalities where royalties and associated taxes provide funding for public resources such as schools, firefighters, public safety officials, and other activities to the benefit of local communities. For example, the members of the Texas Oil and Natural Gas Association paid \$27.3 billion in state and local taxes and state royalties in 2024.²

B. Electric Power Production, Demand, and Economic Growth

Oil and natural gas account for about 74 percent of the primary energy sources consumed in the U.S. every year, with natural gas accounting for some 43 percent of electric power generation, according to the U.S. Energy Information Administration.³ Natural gas provides the largest share of baseload and dispatchable electric power generation. This share has increased as various state and federal policies have led to the shut-down of baseload and dispatchable generation over the past decade, a trend that accelerated in recent years, particularly for coal-fired generation.⁴

Meanwhile, after years of minimal growth, electricity demand in the United States is projected to grow nationally at a significant rate through the end of the decade.⁵ According to the

¹ See, e.g., Daniel Yergin, Ph.D. et al., *Major New US Industry at a Crossroads: A US LNG Impact Study – Phase 1*, S&P GLOBAL, December 17, 2024, <https://www.spglobal.com/en/research-insights/special-reports/major-new-us-industry-at-a-crossroads-us-lng-impact-study-phase-1>.

² See, e.g., 2024 Annual Energy & Economic Impact Report, TEXAS OIL & GAS ASSOCIATION, January 7, 2025, <https://www.txoga.org/2024eeir/#:~:text=TXOGA%20Annual%20Energy%20%26%20Economic%20Impact,High%20by%20Almost%20%241%20Billion>.

³ See *U.S. Energy Facts Explained*, U.S. ENERGY INFORMATION ADMINISTRATION, last updated July 15, 2024, <https://www.eia.gov/energyexplained/us-energy-facts/>.

⁴ See *Electric Power Sector Has Driven Rising Pennsylvania Natural Gas Consumption Since 2013*, U.S. ENERGY INFORMATION ADMINISTRATION, January 29, 2025, https://www.eia.gov/todayinenergy/detail.php?id=64424&utm_medium=email.

⁵ Electricity 2024, INTERNATIONAL ENERGY AGENCY, May 2024, <https://www.iea.org/reports/electricity-2024/executive-summary>; John D. Wilson and Zach Zimmerman, *The Era of Flat Power Demand is Over*, GRID

Department of Energy (DOE), electricity consumption in the United States grew by about 0.5 percent per year in the last decade; however, some estimates show upwards of tenfold increases in annual electricity load growth in some regions of the country through the end of the decade.⁶ This growth will come from the use of artificial intelligence (AI) and an expected surge in the number of data centers relying on massive amounts of computing power to run AI applications, as well as onshoring of other industries and advanced manufacturing, and increased electrification across a range of sectors.

This new demand reflects tremendous economic opportunity, yet also creates new challenges for the reliable, affordable delivery of energy. The incredible speed and scale needed for new dispatchable generation to meet growing demand will compound the challenges of building out the related energy infrastructure and supply chains necessary to provide reliable power for new manufacturing facilities, data centers, and related expansions. This new demand coincides with warnings regarding the electric grid's ability to meet existing demand reliably, even with little to no growth.

The North American Electric Reliability Corporation (NERC) has repeatedly raised concerns over the adequacy and reliability of the grid due to a confluence of factors like state and federal policies that have forced premature retirements of reliable generation without adequate replacement generation resources and electric infrastructure. While much new generation consists of wind and solar, these intermittent resources cannot meet the reliability needs of advanced manufacturing and data centers on their own, as they are not a one-to-one replacement of existing resources like coal, natural gas, traditional nuclear, and hydropower.

Meeting the challenges of new energy and power demand will require consideration of policies that enable adequate supply and distribution of the energy resources that provide baseload and dispatchable power—nuclear, natural gas, coal, and hydroelectric energy, among others.

C. President Trump's Executive Actions

On January 20, 2025, President Trump signed Executive Orders to promote American energy production and confront national security considerations related to access to reliable, affordable, and secure energy supplies.⁷ These actions direct agencies charged with overseeing the nation's energy system to streamline federal procedures for permitting and construction of interstate energy transportation and other critical energy infrastructure. The Executive Orders also direct DOE to restart LNG export authorization reviews, pause "Green New Deal" funding disbursements pending internal reviews, and revoke Executive Orders of the Biden administration. Executive Orders that may impact energy policy considerations, include:

STRATEGIES, December 2023, <https://gridstrategiesllc.com/wp-content/uploads/2023/12/National-Load-Growth-Report-2023.pdf>; Robert Walton, *US Electricity Load Growth Forecast jumps 81% Led by Data Centers*, *Industry: Grid Strategies*, UTILITY DIVE, December 13, 2023, <https://www.utilitydive.com/news/electricity-load-growing-twice-as-fast-as-expected-Grid-Strategies-report/702366/>; *US Power Use to Reach Record Highs in 2024 and 2025* – EIA, REUTERS, February 6, 2024, <https://www.reuters.com/world/us/us-power-use-reach-record-highs-2024-2025-eia-2024-02-06/>.

⁶ See, *Electricity Demand Growth and Forecasting in a Time of Change*, THE BRATTLE GROUP, May 2024.

⁷ See *Presidential Actions*, THE WHITE HOUSE, January 20, 2025, <https://www.whitehouse.gov/presidential-actions/>.

- Unleashing American Energy
- Declaring a National Energy Emergency
- Initial Recissions of Harmful Executive Orders and Actions
- Putting America First in International Environmental Agreements
- Regulatory Freeze Pending Review

IV. ISSUES

The following issues may be examined at the hearing:

- What are the benefits of American energy expansion, both for economic and national security?
- What are the benefits of American energy expansion for communities?
- What is necessary to expand American energy production and delivery systems to meet our future energy needs?
- How may the reliability and affordability of energy and power be assured?

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Mary Martin, Peter Spencer, Andrew Furman, or Clara Cargile of the Committee staff.