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POWERING AMERICA'S FUTURE:

UNLEASHING AMERICAN ENERGY

WEDNESDAY, FEBRUARY 5, 2025

House of Representatives,

Subcommittee on Energy,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:16 a.m., in Room 2123, Rayburn House Office Building, Hon. Robert E. Latta [chairman of the subcommittee] presiding.

Present: Latta, Weber, Palmer, Allen, Balderson, Pfluger, Harshbarger, Miller-Meeks, James, Bentz, Fry, Lee, Langworthy, Rulli, Evans, Goldman, Fedorchak, Guthrie (ex officio), Castor, Peters, Menendez, McClellan, DeGette, Matsui, Tonko, Veasey, Schrier, Fletcher, Ocasio-Cortez, Auchincloss, and Pallone (ex officio).

Also Present: Representative Joyce.

Staff Present: Ansley Boylan, Director of Operations; Clara Cargile, Professional Staff Member, Energy; Jessica Donlon, General Counsel; Andrew Furman, Professional Staff Member, Energy; Sydney Greene, Director of Finance and Logistics; Emily Hale, Staff

Assistant; Calvin Huggins, Clerk, Energy; Megan Jackson, Staff Director; Daniel Kelly, Press Secretary; Patrick Kelly, Staff Assistant; Sophie Khanahmadi, Deputy Staff Director; Mary Martin, Chief Counsel, Energy; Joel Miller, Chief Counsel; Ben Mullaney, Press Secretary; Kaitlyn Peterson, Policy Analyst, Environment; Kristen Pinnock, GAO Detailee, Oversight and Investigations; Jackson Rudden, Staff Assistant; Chris Sarley, Member Services/Stakeholder Director; Peter Spencer, Senior Professional Staff Member, Energy; Kaley Stidham, Press Assistant; Matt VanHyfte, Communications Director; Keegan Cardman, Minority Staff Assistant; Austin Flack, Minority Professional Staff Member; Waverly Gordon, Minority Deputy Staff Director and General Counsel; Tiffany Guarascio, Minority Staff Director; Will McAuliffe, Minority Chief Counsel, Oversight and Investigations; Kristopher Pittard, Minority Professional Staff Member; Emma Roehrig, Minority Staff Assistant; Kylea Rogers, Minority Policy Analyst; Andrew Souvall, Minority Director of Communications, Outreach and Member Services; Medha Surampudy, Minority Professional Staff Member; and Tuley Wright, Minority Staff Director, Energy.

Mr. Latta. Well, good morning. The Subcommittee on Energy will come to order, and the chair recognizes himself for 5 minutes for an opening statement.

I want to thank all of our witnesses for being with us today for today's hearing on "Powering America's Future: Unleashing American Energy."

Today we are discussing the state of our Nation's energy system, reviewing the Biden administration's actions that undermined our economic and national security, but most importantly, looking forward to how our subcommittee will meet our ever-expanding need for more energy.

In the last Congress, I asked every witness that appeared before us in this subcommittee the same question -- "Do we need more energy or less energy?" -- and all of those witnesses responded by saying we need more.

The U.S. Energy Information Administration projects the United States will consume record amounts of electricity in 2024 and 2025. The Department of Energy's Berkeley Lab estimates that U.S. data center load growth, which already encompasses half the data centers in the world, is projected to double or triple by the year 2028.

Last Congress, we heard extensive testimony from grid experts and operators about the impacts of burdensome regulations, like the Clean Power Plan 2.0, that would drive out resources that are essential to keeping the lights on and our economy flowing.

Households and businesses alike continue to struggle under high energy prices that have followed excessive Federal spending and anti-fossil fuel policy decisions of the Biden administration.

In 2008, House Republicans first showcased the "all-of-the-above" energy strategy that supports this diverse mix of energy sources without the government picking winners or losers, which is better for meeting demand and better for the environment.

Intermittent energy sources, such as solar and wind, have a role to play in a

diverse energy mix. However, we must maintain our baseload power that is delivered from fossil fuels, nuclear, and hydropower.

While resources are strained, the next generation economy will require massive amounts of reliable, affordable, and abundant energy.

My district in Ohio is home to over 86,000 manufacturing jobs and has seen the data center energy demand arrive.

When it comes to winning the AI race, all energy solutions need to be on the table -- small modular nuclear reactors, traditional nuclear power, intermittent renewables, batteries, natural gas, fuel cells, just to name a few.

But our Nation's energy future is at a turning point, and the world is not going to wait for us. Adversarial nations actively seek to exploit our energy demand to undermine our position on the world stage.

Unfortunately, misguided actions from the Biden administration, like the LNG export ban, handicapped diplomatic tools of energy abundance.

Instead, the Biden administration's "electrification or nothing" and "rush to green" approach has only emboldened adversaries like Communist China, who manipulate critical mineral markets and limit exports of key materials for our manufacturing sector and defense industrial base.

Meanwhile, China is doubling down on their efforts to gain a leadership position in the global race for AI development in the next generation economy.

Here is the good news: It is a new day in America, and President Trump has led a necessary reset of our national energy strategy.

As we look to the future of our Nation's energy needs, this subcommittee will be essential to ensure our electric grid is secure against physical and cyber attacks and natural disasters.

We will unlock our abundant resources through permitting reforms that can ensure innovations and advancements are happening here in America. We will build on the bipartisan success of the ADVANCE Act and the Nuclear Fuel Security Act to usher in next generation nuclear, discuss innovative solutions for spent fuel, like recycling and storage, and expand America's nuclear fuel infrastructure to restore our global nuclear leadership.

This committee must address the growing energy demand and all the issues that come with it. I look forward to the constructive dialogue today as we embark on a path to reassert North American energy dominance.

And with that, I yield 30 seconds to my friend, the gentleman from Colorado's Eighth District.

[The prepared statement of Mr. Latta follows:]

******** COMMITTEE INSERT ********

Mr. Evans. Thank you, Mr. Chairman. And I just want to take a quick moment.

Today I am proud to introduce Mr. Gary Arnold, who serves as the business manager of the Pipefitters Local Union 208 based out of Denver, Colorado.

Local 208 represents almost 2,000 highly skilled jobs and hardworking journeymen and -women, many of whom live and work in my district, and Local 208 also covers all of my district.

Looking forward to the vital perspective that you are going to offer about the passionate workforce that every energy product requires and project requires. So thank you for being here.

And, Mr. Chairman, yield back.

Ms. DeGette. Mr. Chairman, will you yield?

Mr. Latta. I recognize the gentlelady.

Ms. DeGette. Thank you.

I just want to add my welcome to my friend Mr. Arnold, who is from my district.

It is great to have you here.

Yield back.

Mr. Latta. Well, thank you very much. And the chair yields back the balance of his time.

And the chair now recognizes the gentlelady from Florida's 14th District, the ranking member of the subcommittee, for 5 minutes for an opening statement.

Ms. Castor. Well, thank you, Chairman Latta, and congratulations to you on having the gavel of this great subcommittee.

And welcome to all of the new members on the subcommittee.

The Democrats and I, we look forward to working on policy that delivers more affordable and reliable energy to hardworking Americans and businesses.

We have an incredible opportunity to build on the successes of the past few years and the advances in lower-cost clean energy, grid resilience, innovation, and efficiency.

We can all take great pride in the new factories, the jobs, the progress activated by the historic infrastructure law of 2021 and the clean energy and climate resilience law of 2022, because over the past few years over 750 new or expanded clean energy projects have been announced, along with 400,000 new jobs and $422 billion of private sector being invested because of what we have done.

Across America, and in most districts represented in this committee, new battery plants, clean vehicle factories, and solar and wind manufacturing centers are breathing new life into communities, local economies, and small businesses. These are good paying, many union jobs that can support a family.

That is why the early actions of the Trump administration are cause for concern, including the firing of the Department of Energy Inspector General, who is responsible for rooting out waste, fraud, and abuse.

Nothing in the early Trump executive orders is designed to lower energy prices or help hardworking Americans. Instead, across the board, the actions are a gift to big oil companies. They are designed to boost their profits at the expense of working families across this country.

It is outlandish that the President declared an energy emergency at a time when the United States is producing more oil and gas than any country in history.

America is the second-largest producer of wind energy and a top five producer in solar energy. We lead the world in nuclear energy and biofuel production. America is a dominant energy superpower.

The stop work order on energy projects now is delaying construction projects in our communities. It is causing companies to lay off workers. It is causing delays in

upgrading transmission lines and building battery factories and bringing nuclear plants back online. And all of this adds up.

Frankly, when you look at what is going on, it is illegal, and we are not going to stand for it. We are going to fight back to make sure that these dollars get to where they are supposed to go and build the clean energy economy that is important to all of us.

Future projections show -- and the chairman is right -- that we are going to need to generate more electricity, but the President's prescription for the so-called emergency is to unnecessarily complicate energy projects and to ban lower-cost renewable energy sources like wind and solar.

It doesn't do anything to lower costs for families and businesses, and, frankly, it doesn't make sense -- until you understand that it is just a gift to polluters and big oil.

We are in the grips of a real emergency, however, and that is the heating climate, which is leading to higher bills, stronger hurricanes, extreme heat, more destructive floods and wildfires.

And if we don't reduce climate pollution, the cost of these catastrophes will continue to grow while our neighbors back home struggle to rebuild their homes, to afford their air conditioning bills, to afford property insurance.

The climate stresses are not just about the weather. They are about our wallets.

And another red flag in the President's early executive orders that will hit consumers with higher energy bills is his call to expand liquefied natural gas exports, because studies show that increasing LNG exports will raise energy prices for American families. Exporting gas outside America raises costs on small businesses and industries that rely heavily on it.

Plus, China is the single biggest LNG importer in the entire world. The least we could do would be to ensure that our LNG exports are not subsidizing China's industrial

build-out at the cost of higher domestic gas prices for Americans.

We are in a great competition with China on electric vehicles. They want to put our automakers out of business, and the President and the Republicans should not help them.

Competitors like China are eager for President Trump to kill America's clean energy economy so they can dominate the global market instead.

And while you can see we are going to have plenty to debate here, I also see a lot of room for bipartisan common ground.

Chair Latta is interested in strengthening the aging electric grid, as am I, and many members are interested in the next generation of nuclear power, critical minerals, and battery recycling. And I know together we can ensure that Americans are energy secure and encourage innovation. That is the hallmark of America.

Thank you, Mr. Chairman. I yield back.

[The prepared statement of Ms. Castor follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Thank you very much. The gentlelady yields back.

And the chair now recognizes the chair of the full committee, the gentleman from Kentucky, for 5 minutes for an opening statement.

The Chair. Thank you. Thank you, Chair Latta. I really look forward to working with your leadership guiding the Energy Subcommittee with the ranking member, my friend from Florida.

And to all of our new members, welcome, and I look forward to your contributions as well.

The availability and affordability and reliability of American energy and its delivery systems is fundamental to enabling our Nation to make and do things -- to grow manufacturing, advance AI, heat our homes, fuel our cars, and produce the goods and services we all rely upon.

Our work this Congress will aim to enable the Nation to grow, prosper, and assert global leadership in an adversarial world, and we will work hard to improve the lives and economic security of those in the communities we represent.

Today's hearing opens our discussion of the reforms needed to usher in a golden age of American energy. We will explore the benefits of -- and the urgent need for -- energy policies of abundance and dominance.

We will look at how responsible stewardship of our tremendous oil and gas reserves -- and the infrastructure to deliver those resources -- will support new industries and manufacturing.

This hearing will also provide the beginning of our discussions and exploration of the enormous demand for energy for AI.

Further, today we will continue to make the case for American leadership in energy production and technology to support our allies, including through the export of

LNG, advanced gas turbines, and nuclear.

We all have seen the increasing strains on our electric grid, including failure to provide reliable power utilizing coal, natural gas, and nuclear, when it is needed the most.

Grid and energy experts warn the frequency of these outages will only increase if State and Federal renewable energy policies continue to drive the premature retirement of traditional baseload generation.

Now, the new and growing demand for advanced manufacturing capacity and data centers to fuel the AI race have exposed the limits of our current energy systems as well.

This new reality adds to the urgency to look at what is needed to provide the energy we need to win the competition with China and achieve the tremendous benefits of advanced computing.

I appreciate the time that the subcommittee chair has yielded, and I will yield to the vice chair of the subcommittee, Mr. Weber, for the remainder of my time.

[The prepared statement of The Chair follows:]

******** COMMITTEE INSERT ********

Mr. Weber. I thank you, Chairman Guthrie, for yielding.

I am thrilled to serve as vice chair of this Energy Subcommittee for this Congress. I look forward to working with Chairmen Guthrie and Latta on energy policy, which is the driver of so friggin' much of our economy.

Today's hearing is critical to this committee's role in advancing an energy future that can lower cost and fuel economic growth in Texas, my home State, and across the country for that matter.

America is blessed with abundant natural resources that can lift up small communities, solidify our geopolitical position on the world stage, and create workforce opportunities for generations to come.

Nowhere is this clearer than in my southeast Texas Congressional District 14. My Gulf Coast district, which many consider the energy capital of the world, is home to seven ports, three LNG facilities, seven of the largest refineries in the United States, and 60 percent of the Strategic Petroleum Reserve is stored in our district.

Unfortunately, my district was also ground zero for the Biden administration's anti-fossil fuel agenda. So whether it was the ban on LNG exports, SPR gimmicks that drained our capacity, or the overburdensome regulatory environment designed to drive out fossil fuels, southeast Texans bore the brunt of a disastrous American energy strategy for the last 4 years.

Southeast Texans know firsthand that these facilities not only create family-sustaining careers that allow people to achieve the American Dream, but they also fund schools, local hospitals, they fund public safety resources, as well as a myriad of other community benefits.

Under President Trump's leadership, our Nation has an opportunity to once again regain control over our own energy future. I look forward to the discussion today that

will highlight the urgency behind our need to actually expand American energy production and fuel what we call a golden age of opportunity.

With that, Mr. Chairman, I yield back.

[The prepared statement of Mr. Weber follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Thank you very much. The gentleman yields back the balance of his time.

The chair now recognizes the ranking member of the full committee, the gentleman from New Jersey, for 5 minutes for an opening statement.

Mr. Pallone. Thank you, Mr. Chairman.

Committee Republicans want to talk about unleashing American energy at a time when President Trump is blatantly breaking the law -- a law that is helping us unleash American energy and reduce energy costs for American families.

On his first day in office, President Trump illegally froze billions of dollars in investments in the energy sector that were passed into law by Congress. That action was followed by a broader directive from the Office of Management and Budget that halted funding across the government, including Medicaid.

And Trump is stealing from the American people, but congressional Republicans appear to have no problem with that. They have been virtually silent as Trump and his administration continue to defy the law.

Fortunately, the courts have already ruled in favor of parties seeking to put a stop to this unconstitutional power grab, and today I am sending letters, with the subcommittee ranking members, to the Department of Energy and other agencies within our committee's jurisdiction demanding that these congressionally approved funds be distributed immediately.

We also want to know what funds are being sent out and what funds are still being illegally withheld.

Now, President Trump has a long history of stiffing contractors, particularly in my home State of New Jersey where all his casinos went bankrupt but he didn't pay anybody. But America, our government, can't be like Trump. We have to uphold our

commitments.

The chaotic rollout has left communities and organizations that are owed Federal funding reeling. Workers and businesses are being harmed. Americans in need of care are being harmed. Congress and the American people deserve answers, and we are going to fight to find them.

Unfortunately, as I said, House Republicans have been virtually silent. They too are dead set on eliminating these funds through the legislative process so they can pay for trillions of dollars in tax cuts for billionaires and big corporations.

House Republicans' energy plans will increase costs for American families. Repealing the clean energy provisions in the law could result in a 10 percent jump for American families on their energy bills.

Republicans ignore the fact that the Inflation Reduction Act is also growing our economy for the future and helping us combat the worsening climate crisis.

But, frankly, it is difficult for me to comprehend how senseless the energy policies of the new administration are. Trump declared a bogus emergency -- or I should say energy emergency -- yet on the very same day he illegally attempted to cut off Federal support for nearly all energy investments in the United States.

And Republicans spent years saying that they supported an all-of-the-above energy strategy, yet they are now trying to kill solar and wind, both onshore and offshore, I should add.

And what is especially distressing is that the Republican Party is attempting to decimate a portion of our energy industry just when we need it most.

The subcommittee heard repeatedly last Congress that after 20 years, demand for electricity in this country is starting to increase. And to be clear, this is actually a good thing because it means that artificial intelligence companies are choosing to build data

centers in America; it means that manufacturing is making a major comeback in America after a generation of decline; and it means that more Americans are shifting towards cleaner ways of driving and heating and cooling their homes.

All of these are promising trends that will benefit the country, but not if the power sector cannot meet the challenge.

Grid operators across the country are sounding the alarm, and they are saying that they need every new electricity generator they can get to come online over the next 5 years and that we need to interconnect as many resources as we can as quickly as possible.

Power generation projects take a long time to build in this country, and according to the Lawrence Berkeley National Laboratory, over 95 percent of the generation in the so-called interconnection queue is wind, solar, and batteries.

So if Republicans are really interested in unleashing American energy, they should work with us to clear interconnection queues and let resources get on the grid as quickly as possible.

We should work together to make sure that we have sufficient infrastructure, whether it is transmission lines, transformers, circuit breakers, or other vital equipment, to make sure that we can hook those new sources of electricity up to the grid.

And these are actions that we have to take. Our Nation's ability to compete in the 21st century depends on it.

Unfortunately, it appears that Republicans are determined to, once again, do the bidding of their big oil and gas friends, and I don't think that is progress, and Democrats will fight this partisan effort every step of the way.

So, finally, to all the career staff at the Department of Energy who are doing such hard work under challenging circumstances, please stay in your jobs. America really

needs your expertise.

And with that, Mr. Chairman, I yield back. Thank you.

[The prepared statement of Mr. Pallone follows:]

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Mr. Latta. Thank you very much. The gentleman yields back the balance of his time. This concludes member opening statements.

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

And before recognizing our witnesses, I also want to just thank all of our new members that are on the subcommittee. A hearty welcome. We are going to have a lot of work to do this Congress, and I look forward to working with everyone.

I want to thank our witnesses for being with us today and taking the time to testify before our subcommittee. Each witness will have the opportunity to give a 5-minute opening statement, followed by a round of questions from the members.

Our witnesses for today's hearing are Amanda Eversole, the executive vice president and chief advocacy officer at the American Petroleum Institute; Mr. Gary Arnold, business manager at the Denver Pipefitters Local 208; Mr. Tyler O'Connor, partner at Crowell & Moring LLP; and Mr. Brigham McCown is senior fellow and director of the Initiative on American Energy Security at the Hudson Institute.

I want to thank you all for being here.

And before we recognize our first witness, just a little housekeeping. With the box in front of you, you will see the light will be green. At 1 minute it will go yellow. And when your time expires after 5 minutes it will go red, and if you could finish up, we would appreciate it.

And so what we would like you to do is pull that mike up close and turn it on, and we are ready to go.

The chair recognizes Ms. Eversole for 5 minutes for an opening statement.

STATEMENTS OF MS. AMANDA EVERSOLE, EXECUTIVE VICE PRESIDENT AND CHIEF ADVOCACY OFFICER, AMERICAN PETROLEUM INSTITUTE; MR. GARY ARNOLD, BUSINESS MANAGER, DENVER PIPEFITTERS LOCAL 208; MR. TYLER O'CONNOR, PARTNER, CROWELL & MORING LLP; AND BRIGHAM MCCOWN, SENIOR FELLOW AND DIRECTOR, INITIATIVE ON AMERICAN ENERGY SECURITY, HUDSON INSTITUTE

STATEMENT OF AMANDA EVERSOLE

Ms. Eversole. Good morning. Thank you very much, Mr. Chairman.

Chairman Latta, Chairman Guthrie, Ranking Member Castor, Ranking Member Pallone, and members of the subcommittee, my name is Amanda Eversole, and I am the executive vice president and chief advocacy officer at the American Petroleum Institute.

I am honored to be invited by this committee to discuss the profound opportunities that we have by working together to build a better energy future for all Americans.

API is a national trade association representing all segments of America's oil and natural gas industry, from large integrated companies to small independent producers. This industry represents 11 million hardworking men and women across all 50 States and supports energy that powers every district in this Nation.

API is proud to have developed more than 800 standards that enhance operational safety, environmental protection, and sustainability across 140 countries.

In fact, promoting technological, environmental, and regulatory innovation is a driving force for API and our industry to achieve what is most important to all of

us -- ensuring that we have the reliable, affordable, and cleaner energy that tens of millions of hardworking families and businesses need now and well into the future.

As API's Lights on Energy literacy campaign reminds us, oil and gas fuel our economy, secure our future, and keep America moving.

As we saw in the last election, the American people made their energy priorities clear. They voted for energy that is more affordable and more reliable. They want the freedom to make choices about what to drive and how to cook, and for an energy policy that keeps costs down and our country economically strong and secure.

Now, this committee and Congress can advance these priorities through commonsense policies that support energy growth, while continuing our shared commitment to environmental performance and innovation.

We can build on the $2 trillion of value that this industry generates for our economy, an amount larger than 95 percent of the GDPs of countries around the world.

As energy demand surges due to population growth and the massive impact of artificial intelligence, we must ensure that America remains the world's energy powerhouse.

Today we account for about 17 percent of global crude oil production. That is up from just 8 percent in 2010. That is good for our economy, and it is good for our national security.

And let's not forget that greenhouse gas emissions in the U.S. are at a generational low, and the biggest reason for that is replacing higher emitting fuels with natural gas.

Yet despite the incredible strength of our industry and its people, America's continuing energy leadership is far from guaranteed. Ineffective policies have put investment at risk and ignore the reality that hundreds of billions of dollars in capital are

required every year just to keep production at current levels.

To address these challenges, API released its five-point policy roadmap to secure American energy leadership.

Our plan outlines five specific principles.

First, we must protect consumer choice. Let Americans choose what is best for their families, whether it is their car, their stove, or their furnace. We must avoid misguided policies that threaten to raise costs for families and for businesses.

Second, we must bolster our geopolitical strength. Energy security is national security. Lifting the LNG export pause was a major step in reaffirming the United States as a cornerstone of global energy security.

Third, we must leverage our natural resources. We have the resources, so let's use them -- responsibly. Unnecessary restrictions limit our ability to harness these vast resources and discourage long-term investment in domestic energy production.

Fourth, we must reform our permitting system. Right now we cannot get things done, and it simply doesn't have to be that way. A more efficient permitting system will unlock billions in private investment, create jobs, and ensure that the U.S. has the infrastructure to meet growing energy demands.

Specifically, we need Congress to act to prevent statutes like NEPA and the Clean Water Act from being weaponized in the courts by opponents of energy development.

And finally, we need sensible tax policy for sustained energy investment. API supports policies that help achieve long-term energy security and environmental goals.

To build on the successes of the Tax Cuts and Jobs Act, Congress should pass legislation that maintains the corporate rate, facilitates domestic infrastructure investment, and preserves critical international provisions.

Put simply, we need policies that encourage investment rather than restrict it. It

has never been more vital that the U.S. control our energy future, and this committee and Congress have an opportunity to seize this moment to pass meaningful legislation that will move our country forward.

Mr. Chairman, Madam Ranking Member, and distinguished members of the committee, this concludes my prepared statement, and I look forward to your questions. Thank you.

[The prepared statement of Ms. Eversole follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Well, thank you very much.

And, Mr. Arnold, you are recognized for 5 minutes for your opening statement.

STATEMENT OF GARY ARNOLD

Mr. Arnold. Well, good morning, Chairman Latta, Ranking Member Castor, and members of the committee.

My name is Gary Arnold, and I am the business manager of Pipefitters Local 208 based in Denver, Colorado. I also serve as the international vice president of the United Association of Union Pipefitters and Plumbers, Local 208's parent union.

Local 208 and the UA take great pride in providing the American people and our business partners with the highest skilled and best trained energy workers in the world.

I also know firsthand that the careers pursued by these workers are life-changing and truly provide a path to the middle class where Americans enjoy family-sustaining wages and benefits, without crippling student loan debt.

So on behalf of our members, I want to thank you for the opportunity to be here to discuss a topic that is near and dear to us, unleashing American energy.

Like most Americans, hardworking pipefitters want energy that is affordable, reliable, American made, and safe for their families and communities.

We support efforts to make the energy we produce cleaner. However, we take exception to being asked to suffer lost job opportunities, higher energy prices, and power outages because of opposition to projects from fringe groups that is rooted in scare tactics and unrealistic solutions to real world energy demand.

Our members want to see America lead on energy because the good of the country and our own careers and livelihoods depend on it.

We have a difficult time understanding why it takes several years to permit a natural gas pipeline in a country that is sitting on a mountain of reserves while at the same time seeing electricity prices rise.

We struggle to comprehend why many still resist the expansion of nuclear energy when we have used nuclear for more than a half a century without a single injury or fatality and when it produces electricity on less land than any other clean source.

We have a difficult time understanding how groups claiming to be focused on reducing emissions are having success undermining carbon capture projects that would make existing power plants and industrial facilities cleaner.

To unleash American energy, we must speed up the project approval process and reduce the needless uncertainty and costs that energy companies and consumers are being asked to endure.

We must also reduce the ability of fringe groups to leverage every chokepoint that they can to punish companies for building the energy infrastructure we need.

For these reasons, I am very encouraged by President Trump's executive order on unleashing American energy. It is vital that we address regulations and policies that undermine the development of critical energy sources like natural gas, oil, nuclear, biofuels, and geothermal, as well as newer promising sources like blue hydrogen.

Together with the steps that are already being taken, I encourage the administration and Congress to build on the Inflation Reduction Act and other laws that are moving the ball forward on energy in important respects.

For example, the IRA tax credits, loan guaranty authority, and research to support the expansion of nuclear energy.

In addition, the IRA's expansion of the IRS 45Q tax credit has led to a surge in development of carbon capture and sequestration systems. These systems will make it

possible to extend the life of or even save plants that might otherwise be shuttered.

The carbon captured by these systems can also be repurposed for various uses, including enhanced oil recovery and concrete production.

As members of this committee work legislatively to unleash the American energy, we will be working to unleash the training needed to build these projects safely and to the highest quality standards.

Local 208 and our contractors invest about $2 million per year in training, and the UA collectively invests over $300 million per year at over 300 training centers.

These investments make it possible for us to deliver cutting-edge training to Americans at virtually zero cost to them. And let me emphasize that these are 100 percent private dollars. We don't ask for a dime from the taxpayer.

With your support in unleashing American energy and giving our members the opportunity to build more projects, we can expand our training programs and produce even more qualified workers to meet the needs of future projects.

And unlike some in our industry, we don't look to foreign countries or even other parts of the country to staff projects. We utilize local referral systems that provide opportunities to workers in the areas where the projects are being built.

In addition, as more work becomes available, we recruit and train from within the local community to man that work. We believe, as we know you do, that if there is a project in your district, local workers should have the chance to work on it.

Thank you again for the opportunity to participate in this important hearing, and I look forward to your questions.

[The prepared statement of Mr. Arnold follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Well, thank you very much for your testimony.

And, Mr. O'Connor, you will be recognized for 5 minutes. But beforehand, welcome back to the committee. And what years again were you here on staff at the committee?

Mr. O'Connor. The 117th Congress.

Mr. Latta. Well, thank you very much for your service. And you are recognized for 5 minutes for your opening statement.

STATEMENT OF TYLER O'CONNOR

Mr. O'Connor. Thank you very much.

Good morning, Chairman Latta, Ranking Member Castor, Chairman Guthrie and Ranking Member Pallone, and members of the Electricity [sic] Subcommittee.

Thank you for the invitation to testify today about American energy policy. As you just noted, as a former E&C staffer, it is exciting to be back here before the most important committee in Congress.

For those of you I don't know, my name is Tyler O'Connor, and I lead the energy team at the international law firm Crowell & Moring. In that role, I primarily advise energy companies on Federal laws, regulations, and policies, giving me insight into how those policies can either unleash American energy or stymie it.

This subcommittee hearing on unleashing American energy could not be more timely. Our country, as some folks have noted, is at a crossroads. We are already producing record amounts of oil and gas, American manufacturing is booming thanks to the Inflation Reduction Act and the Infrastructure Investment and Jobs Act, and our geopolitical adversaries, like China and Russia, are struggling to keep pace with American ingenuity and resolve.

In other words, we have unleashed American energy.

But there is still work to be done. So to that end, in the course of my testimony here today I hope to convey three key points that will hopefully inform the committee's work moving forward.

First, the IRA and the infrastructure bill are catalyzing investments in the United States and adding gigawatts of new generation projects to the grid.

In the last 2 years, as Ranking Member Castor noted, the IRA and IIJA have supported $422 billion in clean energy generation and new manufacturing, resulting in more than 400,000 new jobs across the continental United States and Puerto Rico. Of those, more than half are in Republican-held congressional districts.

Point one. Undermining the IRA and IIJA, whether legislatively or by withholding Federal funding, will increase the cost of power and make it more difficult to serve growing load from AI and data centers.

Second, I represent project developers, and I can tell you energy infrastructure projects are complex, they are time-consuming, and they are capital intensive and expensive under the best of circumstances.

Actions that undermine business certainty and raise costs, such as pausing the issuance of Federal permits, repealing tax credits for generation projects and manufacturers, and imposing tariffs on key components, will reduce investment and harm the long-term interests of the United States. Ultimately, those costs will be borne by American families.

And third, there are a number of commonsense measures we can take to promote American energy dominance, to maintain electric reliability, and to increase American competitiveness. I will just touch on a few of those here.

There is a common refrain in the energy industry that electricity may only be 5 percent of the economy, but it is the first 5 percent, because without electricity nothing else works. We can't support our domestic military installations, we can't serve growing load from AI and data centers, and we can't power our homes and businesses.

Unfortunately, extreme weather and load growth are stressing our electric grid and putting our country at risk.

According to the North American Electric Reliability Corporation, the United States

must build 35 gigawatts of interregional transport capability, of transmission, in order to reliably serve the demands of tomorrow.

As Secretary of Energy Chris Wright recently testified, quote, "Strengthening, modernizing, and protecting the electricity grid and other critical infrastructure is a top priority."

As such, the committee should consider what steps it can take to facilitate the permitting, planning, and cost allocation of critical transmission lines, including interregional projects.

Likewise, while many supply chains have recovered since COVID, others have not, and there remains a shortage of critical electric grid components necessary to interconnect projects to the grid.

The committee should investigate what measures Congress can take to facilitate the domestic production of needed transformers, breakers, switch gear, and other components.

Finally, this committee and others have focused significant attention on the need to timely permit energy projects. And while certain laws may need reform, many projects are also delayed because agencies lack the staff and resources to timely review and permit projects.

I would, therefore, encourage you, in the course of this Congress, to maintain staffing at agencies like FERC that play an important role in the permitting process.

In conclusion, I say this as somebody who represents energy companies, America is the best place to do business in the world if you are an energy company, both because of American ingenuity and fortitude, but also because we have the rule of law and we stand behind our promises.

If American companies cannot be confident that the U.S. Government will keep its

612 funding and tax commitments, they will invest in alternative jurisdictions that provide a
613 more stable and predictable business environment. We should not let that happen.
614 Thank you, and I look forward to answering your questions.
615 [The prepared statement of Mr. O'Connor follows:]
616
617 ******** COMMITTEE INSERT ********

Mr. Latta. Thank you, Mr. O'Connor.

And, Mr. McCown, you are recognized for 5 minutes for your opening statement.

STATEMENT OF BRIGHAM MCCOWN

Mr. McCown. Thank you, Chairman Latta, Chairman Guthrie, Vice Chairman Weber, Ranking Member Pallone, Ranking Member Castor, distinguished members of the subcommittee. Thank you so much for the invitation to appear before you today.

I am Brigham McCown, a senior fellow at the Hudson Institute and director of the Initiative on American Energy Security. I am also a professor and an executive in residence at Miami University in Oxford, Ohio.

While I am here today in my personal capacity, I have been blessed to have had a portfolio career over the last four decades during which I have worked for Cabinet members of both political parties. I have served in the military, have run businesses, as well as my current work in the academic and nonprofit sectors.

Energy, as has been testified to today, is the glue that binds everything together. It powers our cities, our factories, our commercial buildings, our farms, and our homes.

Energy is the lifeblood of this Nation. It enables us to both reach for the stars and travel to see family and friends. Life is not sustainable without energy and lots of it.

At our core, energy is harnessed for the betterment of society, and throughout human history global energy demands have only risen. This is especially true of advanced countries where energy usage is in many ways a reflection of the wealth and strength of a Nation.

Key components of energy, like innovation, technology, reliability, affordability,

are not static. This is especially true in our modern world where our energy demands continue to grow quite quickly.

We are blessed to be an energy abundant Nation and to draw on many sources of energy. Our energy mix is the envy of the world. It is an economic strength. It is a national security strength, one that can increase our safety and that of our allies.

Our national interest is best served through understanding the benefits of American energy.

Even with remarkable improvements in technology and efficiency, economic growth and future prosperity require more energy.

National security, that is, the United States' ability to project power globally to protect Americans and our allied interests, requires secure access to a diverse energy source and raw materials.

Market access to the quantities and types of energy -- when and where they are needed -- along with the security and resiliency of the energy system, requires thoughtful and sustained long-term capital investment.

At its core, energy security is simply the ability to ensure the uninterruptible access of reliable and affordable power, period.

These investments are required across the entire value chain -- investments in producing the raw materials and in production, the infrastructure required for distribution, for storage, for research, for development.

The key to maximizing our energy advantage, as has already been stated, is to ensure a predictable and stable policy environment.

The same is true for our allies who depend on stable supplies of energy products. Without our LNG exports to Europe in the aftermath of Russia's invasion of Ukraine in 2022, Europe would have faced even more difficult circumstances than it already has

endured -- circumstances that were, up front, the result of poor policy decisions.

Similarly, allies like Japan require the importation of energy supplies, countries like Japan that simply lack the raw materials.

Energy abundance enhances economic security and our national security, while energy poverty weakens us, weakens our economic security, weakens our national security.

By working together, we can continue to unleash one of our inherent strengths. Some might refer to this as energy dominance. But regardless of the term, we have a unique opportunity to restore balance to our energy policies, to our energy mix, and to protect ourselves against geopolitical instability while supercharging the American economy.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. McCown follows:]

******** COMMITTEE INSERT ********

Mr. Latta. Well, thank you very much.

And that concludes our opening statements from our witnesses.

And, again, we appreciate you all for being here today.

And the chair recognizes himself for 5 minutes for questions.

One of the things I have heard from all of our witnesses today is that we have to have more energy, not less. And PJM, which you all know is one of our RTOs, and one of their latest reports that came out in January just talks about what they are looking at and their needs and their projections.

And they are talking about, in the summer peak, that they are going to save from -- we are going to go from about 70,000 megawatts to 220,000 megawatts, in just the summers, in less than 15 years.

And the things that they talk about then are how we are going to get there and what the problems are, is that our demand is growing faster, at a faster pace than ever before. And it is what we have all heard -- the proliferation of our data centers, the electrification of buildings and vehicles and manufacturing.

And another area is the problem is that new replacement resources with the needed reliability aren't being built fast enough to get us there.

And one of the things, if I can start, Mr. McCown, with you, you mentioned -- and, again, what we heard from all our witnesses -- the need for more energy and that requirement for more energy, especially when we look at our data centers that are growing across our country.

And you talk about SMRs. How do you see the SMRs, and how can that really help with this exponential growth that we are having out there and the need for power?

Mr. McCown. Yes, thank you for the question, Mr. Chairman.

I would like to recognize the ADVANCE Act which you all passed was an important

first step toward renewing our nuclear power.

The SMRs are a modular plug-and-play. They may not be quite as small as some people think. But the idea is to duplicate, to replicate a particular power plant that has already been licensed again, again, and again.

One of the things that we have suffered throughout with the nuclear industry is that no two reactors are designed the same. It takes a long time to permit them. The streamlining of licensing, the modernization of regulations can really help move us forward.

And with the SMRs, they are capable of being plugged in line in tandem to grow or to scale as our energy demands scale. I think they are an important component of our energy mix and something that for far too long we have been reluctant to deploy nuclear energy. It is something that hopefully reform at the NRC will help with.

Mr. Latta. Well, thank you very much.

Ms. Eversole, the testimony today underscores the policies that we have to have to incentivize American energy expansion, and the best way to incentivize that expansion is to unlock private capital spending.

Will you speak about the role that long-term regulatory certainty and predictability have on the investment decisions to produce and deliver more energy?

Ms. Eversole. Absolutely, Mr. Chairman. Thank you for the question.

The way that markets think about investment over long-term capital horizons is really important. And I think for our industry, which is incredibly capital intensive, and we invest over decades -- 10, 20, 30 years in some cases -- and so we need to move beyond the 2-, 4-, or 6-year political cycles, and we need to tell markets that we are all in together on a bipartisan basis in investing in America's long-term energy security.

And I think what I would add there is that it is extraordinarily important, not just

to signal for the markets but to producers, that we are willing to make it here in America because not only does it help us from an economic perspective, it also helps us from a geopolitical perspective.

Mr. Latta. Well, thank you.

Mr. Arnold, we have to change our thinking and confront the reality of the new energy demand, especially when we are talking, once again, about AI to reshoring our manufacturing.

From your testimony, American workers support unleashing our energy, and we are going to need more fuels, more grid capacity, more pipeline capacity.

What is your view on unlocking more investment capital through regulatory certainty and predictability, in my last 50 seconds?

Mr. Arnold. Thank you for the question.

It is really critically important to building that workforce and maintaining that workforce. Those projects are planned.

What our contractors are going to do is try to make sure that they have the capacity to go and execute properly, we have the right amount of workers out there to accomplish successfully building those projects.

When there are delays, when there is uncertainty, or those projects don't be realized, it is really compounded even more because now that contractor has a massive open part of their schedule that they anticipated performing on work, having work to do. And that can lead to layoffs and different things that negatively affect our workers and our members.

And so that certainty is really critical to their success and the success of the apprenticeship program training those new workers as well.

Mr. Latta. Well, thank you very much.

And I yield back the balance of my time.

The chair now recognizes the ranking member of the subcommittee for 5 minutes for questions.

Ms. Castor. Well, thank you, Mr. Chairman.

And thanks again to our witnesses for being here today.

And, Mr. O'Connor, thank you for all of your work on the Energy and Commerce Committee. You were instrumental in helping us craft a lot of the portions on modernizing the grid and transmission. We have a lot of work to do there.

But one of the overriding aims of the infrastructure law and our historic clean energy and climate law, the Inflation Reduction Act, was to put money into the pockets of hardworking families and small business owners and do that in a host of different ways, by providing funds to help weatherize their homes -- gosh, that is very important in my neck of the woods where our summers are longer and hotter, and if we can weatherize homes, they can save on their electric bills -- or tax credits for appliances, or rebates.

Right now thousands of homeowners are rebuilding from the hurricanes, and they are going to be able to save money, thankfully, when they have to go out and buy that new heat pump or some other appliance.

In fact, independent researchers at Resources for the Future conducted modeling on just the IRA, and that says that over the next decade hardworking families will save significant dollars.

I mean, these numbers are thrown around, and they shouldn't go over our heads, 209 to 278 billion dollars over the next decades. So that is hundreds of dollars into the pocketbooks of families who could really use it right now.

So, Mr. O'Connor, there is a discussion underway of repealing the IRA, whether it is through reconciliation or kind of the illegal wrench that the administration has thrown

into projects going on from Department of Energy loans and grants.

What will happen to energy prices if the IRA is repealed or this illegal stop work order is successful?

Mr. O'Connor. Yeah, thank you for the question.

Ms. Castor. Microphone.

Mr. Latta. Oh, is your mike on?

Mr. O'Connor. And you just mentioned I had worked here before.

Thank you for the question.

According to recent research from Aurora Energy Research, repealing the IRA and continuing to withhold funding would increase electricity prices by an average of 10 percent across the country, with some States, notably Texas, seeing much steeper increases in electricity prices.

And that is a function of a few things.

One, as you noted, the IRA induces a significant amount of new investment into generation.

Bringing new projects onto the grid is going to lower electricity prices and make sure we can address the growing load that Chairman Latta referenced, particularly from data centers and AI.

If we don't bring those new projects onto the grid, then we are going to have to do more with less, and we are simply incapable of doing so.

And so people are going to end up paying more for electricity, contract prices will go up as data centers try and outbid each other for new generation, and ultimately consumers are going to bear the cost.

Ms. Castor. So 4 years ago, prior to this manufacturing boom, America was highly dependent upon Asia to manufacture key building blocks of the clean energy

economy, and there were tariffs by Democratic Presidents and Republican Presidents, but they really failed to ignite domestic industries like solar.

But today, thanks to the Inflation Reduction Act, the U.S. is producing record amounts of solar panels and batteries, and we are quickly on our way to meeting domestic demand.

So, Mr. O'Connor, does the clean energy economy make us, does this transition, this manufacturing boom, does it make -- what does it do to our dependence on China? And what would it do if Republicans are successful in rolling back these investments in our domestic manufacturers?

Mr. O'Connor. Yeah. Thank you for the question.

It makes us less dependent on China. And if we were to repeal the IRA, it would make us more dependent.

And I can share this from personal experience representing companies who have availed themselves of the section 45X advanced manufacturing production tax credit to open new domestic manufacturing in many of the States represented by members here.

And also the section 30D credit, which includes incentives both to make sure that batteries and EVs are manufactured in North America and that the critical minerals included in those batteries are manufactured in North America or countries which with we have a free trade agreement.

And I will tell you that there are a number of companies in the run-up to the election who were thinking about making domestic critical mineral investments in either production capacity or processing capacity in the United States in response to the IRA's incentives but did not know whether they should make those investments, because if the IRA is repealed, there is no economic incentive for them to do so. They will just keep it in China or -- not just China -- other countries that they are currently located in.

Ms. Castor. Thank you very much for your important testimony.

I yield back.

Mr. Latta. The gentlelady yields back.

The chair now recognizes the chair of the full committee, the gentleman from Kentucky, for 5 minutes for questions.

Mr. Guthrie. Thank you. Thank you for the recognition. I appreciate it.

This morning I was talking to a group, and somebody introduced me, said about the Energy and Commerce Committee, and quoted Mr. Dingell, Chairman Dingell, someone that I had the joy to serve a couple years with. And he says if it moves it is energy, if it is still it is commerce. That is our jurisdiction.

And I can't improve on Chairman Dingell except I would like to say that it takes energy to move commerce. And that is going to be the theme of our committee over this next couple of years, is that how do we do it in a responsible way.

I went to school on the Hudson River. Other than the Commonwealth of Kentucky, show me a more beautiful spot than around West Point, Bear Mountain, that area. And you couldn't get in the water because of industrial pollution.

So progress has to be responsible. And so how are we responsible?

And so, Mr. McCown, you said that throughout human history the world has never used less energy, and throughout human history energy has gotten cheaper.

There was a study a few years ago that measured the standard of living by the cost of light, how much it cost light in the 1800s versus what it is now. Essentially it is not free, but people feel like it is essentially free.

My great grandmother used to spend an hour before everybody else got up just to get the stove hot.

So the standard of living of energy is important. And so if we look at

Europe -- and we had Eric Schmidt from Google, not Senator Eric Schmitt, talked about a book he wrote with Henry Kissinger called "Genesis" and had a lecture or a meeting at the Library of Congress. And he said that Europe has chosen not to grow, is what he said.

So if you look at just the example of Europe, so for me to say energy transition, if you replace fossil fuels -- I am for all of the above -- but if your goal is to replace fossil fuels with wind and solar, what are the national security implications of that in Europe today?

Mr. McCown. Yes, Mr. Chairman, thank you for that question.

Well, I mean, I think we have seen devastating effects in Europe, the deindustrialization of Germany in particular. And, frankly, the retirement of nuclear plants and the removal of cheap Russian fossil fuels has been devastating.

I would like to point out too that their carbon emissions, if you are keeping score, have gone up, not down, despite all these investments. It is not the way to do things.

It is critical that we do all of the above, and that includes renewable power. Just like a carpenter has more than one tool in their tool belt -- you can't use a hammer on everything, I have tried, it doesn't work -- but you have to have other tools in your tool belt.

So this energy mix is going to change over time, but we have to lead with what is reliable, efficient, and affordable, because otherwise we could bankrupt ourselves and be in a position like Europe where they have none of the above.

Mr. Guthrie. Thanks.

I want to make sure. So, Ms. Eversole, would you comment on the lessons learned we can have for how quickly Europe has tried to transition to renewables and the negative impact --

Ms. Eversole. Absolutely.

Mr. Guthrie. -- in terms of economic growth?

Ms. Eversole. Yeah, Mr. Chairman, thank you for your question.

Look, 85 percent of the gas that came from Russia was replaced by gas from the United States of America. That is good for American workers, and it is good for America's national security.

It is also good for Europe. I think what Europe learned was that they were overlevered. A diversified portfolio is really important.

API supports an all-of-the-above strategy. But I think we get caught up in the arguments that are more about picking winners and losers in various forms of energy, and it simply doesn't have to be that way.

This is about energy addition. Our demand, not just here in the United States but around the world, is growing. That energy has to come from somewhere, and I would rather it come from the United States of America, Mr. Chairman.

Mr. Guthrie. Thanks.

But also during that time we were replacing a lot of the LNG gas, we also had the export ban that came. I know there are European leaders that said that could be devastating to them if we did that, if we continue that.

Ms. Eversole. Yes, we very much appreciate the executive order on the first day of this administration repealing the so-called LNG ban because that doesn't make any sense. I think that there are questions around can the United States continue to meet the demand in the world, and the answer is, yes, we can do it, because we can be more efficient. We can do it when we have --

Mr. Guthrie. I want to get one more question in.

So, Mr. Arnold, we talk about AI and growth and the economy and cheaper energy and everything, but there are people creating the infrastructure for the energy.

Would you just talk about the benefits in energy communities, or your community, for energy jobs? It is not just people working in an AI data center. It is people building the infrastructure to get the energy to the data center. You want to talk about that a little bit?

Mr. Arnold. Thank you for the question.

Absolutely. So we need energy to power the rest of the manufacturing facilities. I have worked in biopharmaceutical manufacturing, breweries, which I think obviously is pretty important to some Americans too. But it all starts with that energy.

And then it continues to provide work opportunities for those professionals. Our job is to build stuff, build it well, and then we look for the next project to build for folks.

Mr. Guthrie. Thank you. My time has expired, and I will yield back.

Mr. Latta. Thank you very much. The gentleman's time has expired, and he yields back.

And the chair now recognizes the gentleman from New Jersey, the ranking member of the full committee, for 5 minutes for questions.

Mr. Pallone. Thank you, Mr. Chairman.

Mr. O'Connor, it is great to have you back here at the committee after your time on the staff during the 117th Congress. I want to pick up on something you said in your written testimony, which is that the Trump administration's actions are counter to its stated goals.

And, Mr. O'Connor, you already established for Ranking Member Castor that illegally withholding or repealing funds from the Inflation Reduction Act and the Bipartisan Infrastructure Law would increase American utility bills.

But let me ask you, would illegally withholding or repealing them make us more energy dominant or help in the case of an energy emergency, such as the President

articulated?

Mr. O'Connor. No, it would not. And I think Ms. Eversole said it best when she noted that energy projects are capital intensive and that we need to move beyond political cycles because it undermines investment certainty.

And that is exactly what we are seeing with this Federal funding pause right now. In the past two weeks, we have received -- in my capacity as a lawyer, I have received numerous calls from energy companies, name brand global manufacturers, who don't know how to respond to this Federal funding pause, both people who want to develop projects but also the suppliers of those projects, because they don't know if the projects that they were supposed to be supplying are going to be receiving funding and moving forward.

We already know that some of the -- I think there was a sustainable aviation fuel facility in Montana who was supposed to receive funding from the loan program's office. SAF is a place where airline companies are looking to make significant investments in the future. And they noted publicly that their funding was paused, I think $769 million.

So I don't think it makes us more secure or independent, and it certainly doesn't make us more dominant. It makes us look silly.

RPTR KERR

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[11:15 a.m.]

Mr. Pallone. Well, thank you.

Would tariffs on the -- I mean, you know, let's talk about the tariffs that were almost implemented earlier this week and then paused. But would tariffs on Canadian and Mexican energy increase or decrease cost to American families? And would they make us more energy secure?

Mr. O'Connor. Yes. They would increase cost in several respects, and because of the broad nature of the tariffs, you can identify costs that would rise across a number of industries. I want to point to just a few. One, of course, is Canadian oil, which the Midwest is predominantly relying on. I think I have seen studies that would increase gas prices by 3 to 4 percent.

And another place I mentioned in my oral statement, the shortage of critical electric grid components, we need those components to interconnect projects to the grid.

In my day job, I primarily represent developers who are trying to get projects interconnected, and the shortage of components is a serious problem. It just so happens that a large number of those components are imported from Canada and Mexico.

So, if we were to stack tariffs on top of an already existing shortage, that would exacerbate I think the concerns that people have about the inability to bring new generation online.

Mr. Pallone. Well, thank you.

Let me turn to the definition of energy and the President's order declaring an energy emergency.

Define energy as crude oil and then list a number of other hydrocarbons, followed by uranium, biofuels, geothermal heat, the kinetic movement of flowing water, and critical minerals. Something is missing here. What is missing?

Mr. O'Connor. I think several things are missing: solar, wind, storage, transmission distribution lines, maybe the entire electricity industry might actually be missing.

Mr. Pallone. I mean, it is unfortunate because, you know, I have not only heard my colleagues on the Republican side of this committee but also the President say that he believed in an all-of-the-above energy strategy, but, obviously, he has abandoned that.

And let me just say I have one last question. My understanding is that roughly 95 percent of all power plants waiting in the interconnection queue are some combination of wind, solar, and battery storage. Can you talk about the impact on electricity prices and reliability as support for these resources, such as the tax credits from the Inflation Reduction Act, are disappearing?

Mr. O'Connor. Yes, that is a great question, and I think it harkens back to Chairman Latta's question about load growth and PJM and the role of SMRs, right. SMRs are a fantastic, forthcoming technology, we hope, and I would love to see them deployed. But, in the short-term, to meet load growth, we need to meet it with renewables.

Renewables come onto the grid. I mean, also other resources. But, as you noted, 95 percent of the interconnection queue are solar, wind, and battery storage, and that is because those resources only take about 2 years to bring online, as opposed to natural gas-fired power plants, which can take 4 to 5 years, and then nuclear projects, which can take 10 or more.

And so I think we are not going to be able to meet load growth, and we are going

to see rising prices if we cut the legs out from under the industry that is currently poised to bring projects, most of the projects online in the coming 2 years.

Mr. Pallone. All right. Well, thank you so much.

Thank you, Mr. Chairman.

Mr. Latta. Thank you very much. The gentleman yields back the balance of his time.

The chair now recognizes the vice chair of the subcommittee, the gentleman from Texas' 14th District, for 5 minutes of questions.

Mr. Weber. Thank you, Mr. Chairman.

The title of this hearing is actually perfect for what is going on in Texas right now. Just yesterday, Texas A&M University announced an energy proving ground to build four small modular reactors on their RELLIS campus. I would especially like to congratulate natural resources for being one of the chosen SMR companies.

They are also building a research reactor on the Abilene Christian University campus and will be deploying their small modular liquid-fueled salt reactors for commercial use shortly thereafter.

Thank you, Mr. Chairman. I just wanted to brag on my home State for a minute, as we are and will be powering America's future. And so I appreciate that.

Ms. Eversole, I am going to come to you. My district along the Texas Gulf Coast, District 14, is no stranger to LNG. We benefit from the thousands of direct jobs and billions of dollars poured back into the community. The world benefits from our clean, reliable, and affordable LNG shipped right to their doorstep.

The Biden admin LNG export ban had severe consequences in my district that impacted real people, not just companies -- real people, real families, and their lives. President Trump has taken decisive action on day one to reverse this ban, and southeast

Texas applauds him for that.

So, as we work to unleash American energy, this impact will be felt worldwide. What world do you see going forward for LNG, and it has got to include Texas, now, you know that, do you see going forward domestically with jobs and revenue for our communities, as well as for our allies abroad who depend on it for their own energy security?

I yield to you.

Ms. Eversole. Thank you very much for your question, Mr. Vice Chairman.

The role that U.S. LNG plays not only in our country that helps drives down emissions to a once-in-a-generation low, but also, this is geopolitical strength, not to mention the fact that, just last year alone, $14.4 billion came back to the United States because of exports.

And the fact of the matter is it helps us produce the affordable, reliable, and cleaner energy that we need -- not for just the people in Texas, good-paying jobs like Mr. Arnold here, but it also ensures that we are safe and secure. We can do it all, and we look forward to continuing to work together, but we need to have ongoing investment to do just that.

Mr. Weber. If I could paraphrase, it is not just energy security. It is national and, indeed, international security. Would you agree?

Ms. Eversole. I agree completely.

Mr. Weber. Absolutely.

Ms. Eversole, I am going to come back to you in a minute.

Mr. McCown, I've got one for you. As you both well know -- I will come back to you in just a minute.

Coal and natural gas make up the backbone of our energy generational mix. You

both also know that the Biden administration aggressively went after both of these resources, weaponizing his agencies to literally take them off the grid.

We will start with you, Mr. McCown. Can you speak to the importance of these resources and what role they will play as we look to add significantly more generation capacity to our grid?

Mr. McCown. Absolutely. Thank you for the question, Chairman Weber.

First of all, natural gas is an important bridge fuel. It is an important fuel to pair whether you want instantaneous power for baseload energy. It is very efficient. We have reduced our greenhouse gas emissions more than any other country in the world just --

Mr. Weber. Let me break in real quick. And I am sure once we kill our energy system, I am sure the other companies will kill theirs too. Keep going.

Mr. McCown. Yes, sir. And it is extremely important, and it pairs well with renewables, which are still intermittent.

It is also cheaper. And I do take some exception to renewables are keeping energy prices low. That is simply not the case. Energy prices have gone up substantially with deployment of renewable sources because, without all these tax treatments, they are actually quite expensive, and wholesale prices have actually gone up, not down.

Last quick point is we have retired a lot of baseload because of the policies of the previous administration, thus creating a shortage of available baseload power, thus necessitating quick dispatchable power like renewables, which is actually more expensive.

Mr. Weber. I am going to stop you just a second, and I am going to agree with you that, if we are going to have all of these exciting computer places, AI, and all this energy, we had better have dispatchable power.

Back to you, ma'am.

Ms. Eversole. Look, the energy has to come from somewhere, and I would rather it come from the United States of America.

Mr. Weber. I couldn't have said it better myself.

Mr. Chairman, I yield back all 13 seconds.

Mr. Latta. The chairman yields back his 13 seconds.

And the chairman now recognizes the gentleman from California's 50th District for 5 minutes of questions.

Mr. Peters. Thank you, Mr. Chairman.

Last year the United States produced more oil and gas than any other country in history and exported record amounts of liquefied natural gas to our allies around the world under the Biden administration. So it is pretty unleashed.

Simultaneously, 2023 was a record year for clean energy with combined utility scaled solar, wind, and energy store installations across the country. These clean energy projects can be found in keeping the lights on in nearly all congressional districts in all 50 States.

I hope this hearing signals that this committee is going to finally get serious about the energy, grid, and reliability issues facing this country because America is energy dominant, but we are going to need to do more. These hearings I think will be most productive if we can focus on genuine fact-finding to address the critical challenge of meeting our growing energy demand.

We should be looking forward, identifying the infrastructure, policies, and investments that we need to ensure resilient, reliable, and affordable energy supply. And the question before us isn't whether demand is rising. It certainly is. The real challenge is how we prepare for it in a way that strengthens our economy, enhances our

competitiveness, and keeps the lights on for all Americans.

So it is a little frustrating when my colleagues talk about increasing American energy dominance without committing to invest in the infrastructure that carries that energy transmission. I have been outspoken about permanent reform that would help us make everything we build go faster, including generation and new transmission, make it faster and more efficient. I am open to that. I think it is important. You have my commitment to work with you on that for all energy sources.

We are facing extraordinary energy growth in demand from AI data centers, the re-shoring of domestic manufacturing, much of it incentivized by the Inflation Reduction Act. And as was mentioned before, the North American Reliability Corporation, NERC, which is the energy reliability -- the entity responsible for energy grid reliability has warned that, without action, low growth, extreme weather, and other threats could destabilize the grid.

NERC said a reliable grid will require significant planning and development of the interconnected transmission system. And, as also mentioned before, NERC released a study showing that an additional 35 gigawatts of transmission transport capability between regions would undoubtedly strengthen our ability to meet demand, maintain reliability, and improve our resilience to extreme weather, 35 gigawatts.

Since 2014, roughly the last decade, North America has built just 7 gigawatts of interregional transmission power compared to 44 in European and 260 in China. We are not going to be able to compete at that level of growth and development.

New natural gas generation will connect to the grid. Data centers will connect to the grid. New manufacturing will connect to the grid. Oil and gas producers also continue to electrify their operations in the Permian Basin but are concerned that the grid can't handle more activity.

If we are serious about keeping track with global competitors, securing our grid, and achieving true energy dominance, we have to have an honest conversation about what all-of-the-above really means.

Ms. Eversole, do agree that, to unleash American energy, we need to invest and expand the transmission grid while adding new generation and reforming the permitting process?

Ms. Eversole. Congressman, thank you for your question, and thank you for your leadership on these important issues. We very much appreciate the thoughtful way in which you approach them.

And I would just say, as part of API's five-point policy roadmap, permitting reform is one of those five key tenets.

Mr. Peters. How about transmission?

Ms. Eversole. We do agree that transmission should be part of that solution going forward.

Mr. Peters. Well, that API is on board, that is great.

Mr. O'Connor, can you talk about what laws Congress needs to change to make it easier to build and coordinate the construction of large interregional power lines? And, if we don't build out those lines, will our grid be more or less resilient and why?

Mr. O'Connor. A few thoughts come to mind. One would be making it easier to permit interregional projects in particular by clarifying Federal citing authority.

Two, I think Congress should continue to fund the Department of Energy's transmission facilitation program, which is a critical tool for a number or interregional projects. It basically helps them get off the ground.

Three, as you noted, I noted and now I am going to note again, the North American Electric Reliability Corporation recently identified the need for 35 gigawatts of

interregional transmission capability because of a report I believe this committee directed them to undertake.

And so I think the natural next step in response to that report would be for Congress to ideally pass a law or direct NERC to establish minimum transfer capabilities.

Mr. Peters. I think it is all a great idea. I would say we are not going to be able to meet our low growth without transmission. We have to get serious about talking about that in this committee, and I am on board with helping to make it happen.

And, if we don't do it and we have brownouts and higher prices because we don't do it, all of us are going to have to answer for that. So I am intending to work on it and look forward to a good term.

Thank you. I yield back.

Mr. Latta. The gentleman yields back.

And the chair now recognizes the gentleman from Alabama's Sixth District for 5 minutes of questions.

Mr. Palmer. Thank you, Mr. Chairman, and thanks to the witnesses for being here.

When it comes to energy policy, I do believe in an all-of-the-above approach, but when you compare nuclear energy to renewable, the difference in energy density is very clear. A nuclear facility offers 24/7 baseload energy, consistent baseload energy that will operate for 60 years at least, maybe longer.

Mr. McCown, I was pleased to see that you mentioned small modular nuclear in your written testimony. Based on your expertise, what reforms do you think we need to pursue through Congress to unleash nuclear energy and remove the barriers to construct more nuclear power in the United States, particularly the small modular reactors?

Because we are falling behind. China has already got one operating, and even

Romania is doing some really good work in that area.

Mr. McCown. Yes, sir. Thank you so much for your question.

Yes, we -- part of this is a public policy issue. Part of this is outreach and education. For the first time in a generation, we have a large percentage of people across all age groups seeing nuclear energy as a positive. We have to move beyond our thoughts of what nuclear power are because the designs are not what they were in the '70s. And we have got an NRC that has spent most of its time as an agency not permitting anything.

Mr. Palmer. Well, an interesting thing, too, is the advance in technology with these advance reactors. You can recycle spent fuel rods. We had a hearing and had the National Director of the Nuclear Laboratories here, and a lot of people don't realize this, but a spent fuel rod literally retains 90 percent of its energy capacity. We can recover 98 percent. And I asked the director of the National Nuclear Laboratory how long we could operate our fleet, and he said over 100 years just using spent fuel.

The other thing that I want to talk about here just for a moment is we talk a lot about energy independence, but I think we are at a major place in terms of critical minerals and rare earth independence. Right now there is not a single major refinery for rare elements in the Western Hemisphere. There are only nine in the world. Eight of them are in China, and I am talking about major refineries.

China controls 70 percent of the cobalt mining and 80 percent of the processing. They control over 90 percent of the rare earth refinery.

I am a big proponent of near shoring our supply chain, but, also, I think we need to do a whole lot more here in terms of our domestic production, the mining, the production side of it, the refining side of it.

What are some of the barriers that we are facing here, Mr. McCown -- and the

others of you can respond to this as well if you would like -- in terms of permitting, a timeline? Because I don't think we have got 7 to 8 years to get a permit in regards to where China is heading, particularly if we want to be competitive in artificial intelligence.

Mr. McCown. Sure. Thank you, Mr. Palmer.

Very quickly, you know, and Mr. Peters is exactly correct. We have a difficult time building anything these days. The infrastructure. We need NEPA, true, NEPA permitting reform. We have to be more nimble. We have to be more quick than we have done. We have difficulty mining uranium. Seventy-plus percent to 80 percent of the entire supply chain for renewables is from China. That is worse than Middle Eastern oil in my personal opinion.

Mr. Palmer. It is truly, and I want to emphasize this, and I want to emphasize this to my colleagues across the aisle. This is a national security issue. We will not compete with China. We are at an arm's race in artificial intelligence with China, and we don't have the mineral production, the mining, the processing, the refining to be competitive. We will fall behind. They have already cut us off from gallium, germanium, antimony. We are really in a bad place.

So I think, Mr. Chairman, we need to really make it a priority of this committee to work on these issues because, like I said, we don't have 7, 8, or 9, 10 years to do this.

And, going back to AI, with China's release of their DeepSeek AI model, it is a bit of a shockwave. But, for us to compete, we not only have to address these issues of critical minerals and rare earths, but we have got to address the issue of being able to provide the energy that we need. And we were not going to do it with renewables, with all due respect.

So I think we have really got to have a focus on how do we utilize hydrocarbon energy as we advance our energy production through nuclear.

And, with that, any of you, Ms. Eversole, Mr. Arnold, you may respond.

Mr. Latta. If I may, the gentleman's time has expired, but if you could write a written response to that, we would appreciate that. Thank you.

Mr. Palmer. I yield back.

Mr. Latta. Thank you. The gentleman yields back.

And the chair now recognizes the gentlelady from Colorado's First District for 5 minutes of questions.

Ms. DeGette. Thank you so much, Mr. Chairman.

Well, Mr. Palmer, good news. In the last Congress, we passed the Advance Act, which then Chairman Duncan and I did together, which restructured the way we regulate nuclear energy in the hopes of getting some of these energy resources.

And I am assuming, Mr. O'Connor, that you would think that would be a positive step towards getting more nuclear.

Mr. O'Connor. Yes.

Ms. DeGette. Okay. Thank you.

Now, continuing with you, Mr. O'Connor, I wanted to ask you about President Trump's claim that the United States is in a, quote, energy emergency. In fact, the United States is the top producer of crude oil and natural gas in the world. Is that correct?

Mr. O'Connor. That is correct.

Ms. DeGette. And, in fact, investments in clean energy, like in the Inflation Reduction Act and Bipartisan Infrastructure Law mean that the United States would -- do those investments mean that we would no longer produce oil?

Mr. O'Connor. No, they don't.

Ms. DeGette. And, in fact, after we began making those investments, we still had

a huge increase in the production of oil, didn't we?

Mr. O'Connor. Yes, that is right.

Ms. DeGette. Okay.

Now, Mr. Arnold, I really want to again thank you for coming. It is good to see my homie here. I wanted to ask you, in your testimony, you talked about the benefits of the IRA. Can you talk for a minute about the IIJA and IRA's investment in technology, like advanced nuclear geothermal, hydrogen and carbon capture, for the workers?

Mr. Arnold. Thank you for the question.

And, you know, certainly are in favor of an all-of-the-above approach. I think those are important options to keep on the table when we are looking about how do we keep existing workers and good paying jobs and middle class jobs, and how do we continue to provide those clear opportunities for younger generations.

I think, in Colorado, specifically, you know, one of the things I have mentioned in my written testimony is some of the challenges facing the Pueblo community as they look to retire Comanche Unit 3, which is the State's largest coal-fired power plant in 2031.

And so, when the committee that analyzed the variable options down there, looking at what is going to provide those critical jobs and economic engine that that area depends on, what they found was the only thing that kind of came close was nuclear.

And so, in the short-term, you know, a gas-fired power generation unit would help stabilize baseload, help provide needed tax revenue and jobs, and working towards longer term nuclear generation as a replacement to fully kind of make that community whole.

Ms. DeGette. That is right. Thank you. I am sorry. I have got a couple more questions. That was very helpful, though.

Mr. O'Connor, I want to go now back to you again. Do investments in clean

energy like in the Inflation Reduction Act and bipartisan infrastructure law save money on energy?

Mr. O'Connor. Yes, they do. And you don't have to take my word for it. Last year, the then interim CEO of American Electric Power, one of the country's largest utility, has testified to the Senate that, if the IRA is repealed, it would increase the cost of power and make it harder to serve increasing demand.

So I think there is general consensus that it does reduce cost.

Ms. DeGette. Thank you.

Now, one last thing. Over the shock and awe of the last 10 days, the administration has frozen billions of dollars from the IRA and the IIJA for energy development that has already been allocated to domestic producers.

And I just received an email yesterday for Colorado. The Colorado Energy Office has been awarded over $500 million in funds from these programs that have been frozen for the last week and a half. These include 25 million for grid resilience, reliability, and stability; money for home energy rebates, $7 0 million; flexible funding for State energy offices; home energy rebates; commercial energy rebates; weatherization; energy efficiency financing; small community energy support -- Mr. Arnold -- workforce development; low income solar programs; multiple programs; et cetera.

Do you think, Mr. O'Connor, that freezing all of these programs is going to help us build towards American energy independence in this country?

Mr. O'Connor. No, I don't. And I know you asked a question about nuclear at the beginning. I would note that the Palisades Nuclear Power Plant on the shores of Lake Michigan received a loan guarantee from the loan program's office. So, if that funding is paused, it would also impede nuclear deployment as well.

Ms. DeGette. Is it paused to date?

Mr. O'Connor. My understanding is that all LPO loans are paused to date. I don't know that company's particular circumstance.

Ms. DeGette. Great. Okay.

Mr. Chairman, I ask unanimous consent to put a summary of these projects from Colorado that are frozen to the tune of $500 million.

Mr. Latta. Without objection, so ordered.

[The information follows:]

******** COMMITTEE INSERT ********

Ms. DeGette. Thank you.

Mr. Latta. The chair now recognizes the gentleman from Georgia's 12th District for 5 minutes of questions.

Mr. Allen. Thank you, Chair Latta, for holding this hearing on unleashing American energy production. And I want to thank the witnesses for your testimony today.

America is an incredibly energy rich Nation, and during President Trump's first term in office, we unleashed the power of American energy, and we do lead the world in energy production. But guess what? It is not enough.

Demand is growing rapidly, and we have got to meet that demand, or we are going to fall behind in our ability to deal with our adversaries around the world. The United States not only became energy independent. We became energy dominant. We set the price of a barrel of oil. We created an oil war between Saudi Arabia and Russia during COVID, brought the cost of a barrel oil to $7 a barrel. That is power. That is economic power.

Unfortunately, the previous administration took every imaginable step to undo this progress and de-incentivize domestic production, which has caused weakness around the world and wars around the world. I am hopeful that we can now return to our energy dominance and lower the cost for the American people.

In my district, we have Plant Vogtle where units three and four have been completed, a commercial operation, making Plant Vogtle the largest nuclear power station in the country.

Nuclear energy is key to ensuring our energy dominance, and we must continue the momentum on unlocking our nuclear energy capabilities. The nuclear energy industry has a vital impact on the workforce and on local economies.

As a former businessman, helping to provide jobs for my local community was my greatest gift from God and a privilege.

Mr. Arnold, the U.S. has been a key partner in fostering innovation, and nuclear technologies will be critical in promoting advanced nuclear reactors. Your testimony discusses the workforce opportunities for pipefitters at a potential nuclear site in the Comanche 3 plant in Pueblo, Colorado.

Can you talk about what types of jobs and benefits that can be created for pipefitters at nuclear facilities and how critical these jobs can be for the local community where these plants are based.

Mr. Arnold. Thank you for the question.

Those projects, especially large nuclear facilities like Camp Vogtle, provide thousands of opportunities to pipefitters. There was well over 2,000 pipefitters on those projects during their construction. And the nice part about those facilities is it is not only just the original construction of the facility but the ongoing operations and maintenance required to continue to operate them safely.

And so having high skilled pipefitters provides jobs that are truly family-sustaining. It is health benefits for them and their spouses, for their children. It is retirement benefits that will provide them to retire with dignity after they have made their contributions to our communities. And so they are absolutely critical to the long-term success of folks in the middle class that want to go work with their hands.

Mr. Allen. It is a win-win --

Mr. Arnold. All the way around.

Mr. Allen. -- for our economy and for those who have that incredible skill.

The Advance Act signed into law last summer included my Nuclear Leasing Efficiency Act to streamline nuclear energy permitting and licensing by focusing on

metrics and milestones. As a result, the Nuclear Regulatory Commission has been tasked with supporting more efficient, timely, and predictable reviews.

As I mentioned, nuclear energy is vital to our Nation's economic, national, and environmental security. To unleash American energy, we need an all-of-the-above approach, and we need energy projects completed with greater speed than before.

Mr. McCown, my Nuclear Licensing Efficiency Act focused on timely and predictable licensing. Given the demand for energy domestically, how critical is it for nuclear companies to have regulatory certainty at the Nuclear Regulatory Commission? And how could that foster more investment and innovation to ensure U.S. global leadership in nuclear technologies?

Mr. McCown. Yes. Thank you, Mr. Allen. It is absolutely critical. It is crucial. To deploy capital, you must have regulatory certainty, and it is -- we have to make this simpler. We have to make this better faster for companies in order to invest.

Mr. Allen. Good. Ms. Eversole, I am just about out of time, but I will get you to submit this for the record.

Last Congress, you came before the environmental subcommittee and testified on the progress that the U.S. has made in unlocking our domestic energy capacity. I want you to share in writing the impact of exporting our oil and natural gas has on our economy.

Thank you. And I yield back.

Mr. Latta. The gentleman yields back.

The chair now recognizes the gentlelady from California's Seventh District for 5 minutes for questions.

Ms. Matsui. Thank you very much, Mr. Chairman, and thank you to all the witnesses for being here today.

Unfortunately, it is a little difficult to take this hearing seriously while President Trump and Elon Musk are dismantling Federal agencies and ignoring the laws that Congress has passed. As Members of Congress, we are elected by our constituents to come here and do the serious work of thoughtfully considering how to change the law, not to surrender power to the executive branch and unelected billionaires.

Businesses thrive in America because they can count on our legal system to be fair and consistent. It is what protects our citizens from discrimination and arbitrary punishment. It is what protects our democracy from becoming one of the corrupt, despotic regimes that we have fought throughout our history.

The President is taking this country down a dark path, shutting down Federal programs people depend on, freezing payments for lifesaving treatments, giving Elon Musk, the richest man in the world, privileged access to sensitive data. He is ignoring the laws passed by Congress, ignoring a court order, and usurping the separation of powers enshrined Constitution. I urge my colleagues to ask yourselves, how far is too far?

I find it ironic we are here today to talk about unleashing American energy while the President is freezing funding for energy projects, threatening tariffs on critical energy and manufacturing inputs, blocking the development of solar on Federal lands and banning wind energy.

And Republicans on this committee are planning to claw back billions of dollars in funding for American energy projects, taking money out of Americans' pockets. That is not unleashing American energy.

Mr. O'Connor, what is the fastest growing source of electricity in this country?

Mr. O'Connor. According to the EIA, I think it is solar.

Ms. Matsui. Okay.

After solar, what is the second biggest source of new capacity on the electric grid?

Mr. O'Connor. Storage.

Ms. Matsui. Okay. And, after storage -- you mean batteries. Is that right?

Mr. O'Connor. Batteries, yes. And then the third -- oh, go ahead.

Ms. Matsui. Okay.

And then what after that?

Mr. O'Connor. Wind.

Ms. Matsui. Okay.

The top three sources of new energy in America are solar, batteries, and wind, and it is not even close. The Energy Information Administration ported over 59 gigawatts of new solar batteries and wind in 2024 alone. Compare that with 2.6 gigawatts of new and natural gas. That is almost 23 times more solar, batteries, and wind than natural gas.

Mr. O'Connor, very briefly, why are power companies building so much solar, batteries, and wind?

Mr. O'Connor. I think for several reasons. One, they are lower cost. Two, they can be brought online more quickly. Three, there is a shortage of gas turbines. And then, four, I think there are some broken capacity market constructs, particularly in PJM, that don't induce new investment in thermal generation.

Ms. Matsui. Okay.

Yet the President and the Republicans plan to stop new wind projects, claw back funding for rooftop solar, and raise the price to clean energy. That doesn't sound like unleashing American energy. To me it sounds like a giveaway to the oil industry at the expense of hardworking, everyday Americans.

The IRA is all-of-the-above energy. For the last 2 years, we have been hearing

from Republicans about an all-of-the-above approach to energy, but I struggle to identify what President Trump is doing for any energy aside from oil and gas. It is a shame really because the Inflation Reduction Act, the Bipartisan Infrastructure Law, and the CHIPS and Science Act actually are an all-of-the-above approach to energy.

Mr. O'Connor, yes or no, does the Inflation Reduction Act ban natural gas or oil?

Mr. O'Connor. No, it does not.

Ms. Matsui. Okay.

In fact, the Inflation Reduction Act was deliberately designed to support an all-of-the-above approach to decarbonizing our energy system, fighting climate change while reducing energy cost and improving reliability.

As Mr. Arnold pointed out in his testimony, the Inflation Reduction Act included funding for carbon capture and methane leak detection, enabling natural gas power plants to continue providing baseload power where necessary while still reducing greenhouse gas emissions.

Mr. O'Connor, the Inflation Reduction Act also included a technology-neutral clean energy tax credit. Can you explain that quickly?

Mr. O'Connor. Sure. The section 48(e) and section 45(y), those are the clean electricity investment tax credit, which is a tech-neutral tax credit for investments in clean electricity generation, and then the clean electricity production tax credit provides a tax credit for the production of clean electricity.

Ms. Matsui. Okay. So the Inflation Reduction Act supports any energy source as long as it doesn't emit pollution.

I see I am running out of time, and, Mr. Chairman, I yield back the balance of my time.

Mr. Latta. Thank you very much. The gentlelady yields back.

And the chair now recognizes the gentleman from Ohio's 12th District for 5 minutes of questions.

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

My first question is going to be directed to Ms. Eversole. Thank you for being back to the committee again.

Last Congress, you and I discussed some of the environmental and economic benefits we have seen as a result of this shale revolution. It has certainly been a game changer for my district and the Appalachia region where revenue from Utica Shale leases have bolstered the region's economic by nearly $1 billion.

I was going to nudge Rick Allen and let him know that we had that conversation last Congress.

But we also know the switch to natural gas is a major reason why the United States is a global leader in emissions reductions over the last 15 years. It is vital the Federal Government work as a partner, not as an adversary, to our energy industry and support their efforts of innovation and reduce emissions through new technology.

Ms. Eversole, can you discuss the efforts that API's member companies are taking to be responsible stewards of the environment while also providing reliable baseload power to our constituents?

Ms. Eversole. Congressman, thank you very much for your question.

API released a climate action framework, which talks very specifically in great detail about ways that we can work together to decrease emissions from the atmosphere. First of all, we focus on ways we can do that in our very own operations. In fact, in 2017, API launched an environmental partnership, which is a group that comes together and focuses on how to decrease methane emissions. It is very important.

Also, I would say that this industry is the largest investor in cleaner technologies,

and so we have talked about geothermal. We have talked about CCS. We have talked about a lot of these technologies, and these not only are good for decreasing emissions; they also help create jobs.

Mr. Balderson. Thank you very much.

My next question is for Ms. Eversole and Mr. McCown. Thank you. I have a couple Miami grads in our office, so thank you. We will start with you, Mr. McCown, since Ms. Eversole just went.

A 2023 study by NERC economic consulting found that the lack of new pipeline infrastructure is a material obstacle to the natural gas industry bringing the lowest possible cost gas resources to the market. Can both of you speak to the need for increasing pipeline capacity to help bring lower and more stable costs to industry and repairs?

Mr. McCown, if you could go first, please.

Mr. McCown. Yes. Thank you very much.

I mean, you know, we have 3.4 million miles of pipelines, more than any other country, but at the same time, they don't necessarily go between new sources of production into where they are currently needed.

You know, there are continuing legal battles that are fought by people, frankly, that are opposing fossil fuel under the guise of being concerned about pipelines in their back neighborhood when it is the safest form of energy transportation, 99.999. Nothing ever beats it.

So I think we have to get serious about that and have a discussion about the fact that impeding pipelines is actually counterintuitive to reducing our global emissions and is counterintuitive to delivering cheaper cost to the American consumer.

Mr. Balderson. Thank you.

Ms. Eversole?

Ms. Eversole. Yes. I would note that, unfortunately, what we are seeing is the weaponization of well-intended statutes like the Clean Water Act, like NEPA. And we really need, as we think about comprehensive permitting reform, we really need to think about how we make changes because right now anyone, anywhere, anytime can use the courts to try to stop energy projects.

And it is not just oil and gas projects, I would emphasize, and we need to have some judicial reform here so, once we get through the high level of scrutiny for these projects, that we can put shovels in the ground and get jobs going for hardworking Americans.

Mr. Balderson. Thank you.

When it comes to the Appalachia Basin and the Utica and Marcellus Shale, we are a bit constrained by the inability to transport that oil and gas to the northeast. Can you talk about how this limited pipeline capacity has also hurt producers in States like Ohio, West Virginia, and Pennsylvania, and how this has hurt consumers across the northeast?

Sir, Mr. McCown, yes.

Mr. McCown. Yes, sir.

You know, it has, and if we look to New England, they are constrained, right. We have a large proportion of some States in New England continuing to use biomass wood to heat because they can't get natural gas to them. You know, this is a national problem that has to be addressed, and permitting reform needs to look at it, but some of this is in the fact that the States have permitting authority for citing, not the Federal Government, with regard to certain types of pipelines.

And this affects all pipelines, too. CCS, right, which is carbon capture, is also affected negatively by opposition to pipelines.

Mr. Balderson. Thank you.

Do you want to add anything?

Ms. Eversole. I think we are out of time. Thank you, sir.

Mr. Balderson. We are. Thank you.

Thank you, Mr. Chairman.

Mr. Latta. The gentleman's time has expired.

The chair now recognizes the gentleman from New York's 20th District for 5 minutes of questions.

Mr. Tonko. Thank you, Mr. Chair.

Mr. O'Connor, welcome back to the subcommittee. I strongly support expanding our grid infrastructure to help meet our growing electricity needs, but if we only work to increase supply, we are severely limiting our tools to maintain a reliable and an affordable energy system.

Reducing demand through cost-effective energy efficiency measures is a proven strategy across all segments of the system -- generation, transmission, distribution, and use.

So Mr. O'Connor, what should be the role for efficiency as we work to meet our growing and changing energy needs?

Mr. McCown. Mr. Tonko, thank you very much for the question. Efficiency is something we always need to continue to work on. There is a balance between efficiency and cost that we have to weigh out. But, clearly, what we produce, everything from our water heaters to our dishwashers, are far more efficient than they used to be.

My only caveat is that we can't conserve our way to prosperity because simply we continue to use more and more energy. So it is a tool but not the only tool.

Mr. Tonko. Mr. O'Connor, same question for you.

Mr. O'Connor. I thought that was well put. It is an important tool. Our ability to serve load is based on how much we generate, what our losses are in the transmission of electricity, and then what our load is, how much do we actually need to use. Energy efficiency reduces our demand for electricity. It frees up electricity to be used for other purposes.

And I am full of energy industry sayings. Another one is that the least expense kilowatt hour is the kilowatt hour not used.

Mr. Tonko. Thank you.

And efficiency can also be an important tool to empower American consumers. The reality is that everyday Americans cannot control whether the oil and gas industry would choose to slow down production when it is beneficial to their bottom lines.

But many people can make investments in their homes resulting in significant savings on their electricity and heating bills. For example, according to ACEEE, the 25(c) tax credit helped 2.3 million American households upgrade their homes in 2023, saving an average of $130 a year in energy cost. By 2032, the credit will cut peak electricity demand by some 3,400 megawatts.

Similarly, the IRA's rebate programs for efficiency and electrification are expected to save consumers up to $1 billion annually in energy cost.

So, Mr. O'Connor, how important is continuation of these efficiency incentives to help consumers take steps to reduce their energy bills?

Mr. O'Connor. It is critically important, particularly in a rising cost environment, which may continue if we impose tariffs on imports from Canada and Mexico. And I know you mentioned, I think, 2.3 million American households. I have seen data that said 3.4 million American households had availed themselves to IRA-related energy

efficiency credits and rebates.

Mr. Tonko. Terrific.

So developing grid scale energy projects requires tremendous long-term planning and capital investment regardless of the technologies being utilized. And, when I talk to developers, they always tell me that the most important thing they need is certainty to have the confidence to make those investments.

Mr. O'Connor, when we see rash and unclear executive orders and other actions from the White House and Federal agencies, can that have a chilling effect on the private sector?

Mr. O'Connor. Yes, absolutely. At best, it delays needed investments while everybody awaits certainty, and, at its worst, it completely undermines them. We are trying to compete in a global economy, and if the rules here are unclear and create uncertainty for companies, they will find other jurisdictions to do business in.

Mr. Tonko. And, if there is a perceived possibility that the rug will be pulled out from under these developers by changing the rules on Federal tax credits, on grants, loans and permitting opportunities, what kinds of risk does that present to the domestic manufacturers, the construction companies, and American workers that make these energy projects happen?

Mr. O'Connor. Yes. I think there are at least two distinct risks. One are risks to folks who have already made investments in domestic manufacturing and electric generation based on their reliance of the existence of these tax credits. We have seen those manufacturing facilities opening up all around the country. And so, if they get the rug pulled out from under them, a number of those projects simply won't pencil.

I think the second risk is for new projects. Assuming none of us here are happy with the amount of domestic manufacturing we have because we always want more, if

we don't have these critical tax incentives, then projects, like I said, are going to choose other jurisdictions that are more business friendly.

Mr. Tonko. So, if we want to compete to be the global leader in emerging strategic industries, meet our energy demands and certainly lower energy cost all at the same time, we need to help foster a stable business environment for investment is what I am hearing from your answers.

And President Trump's approach of causing chaos is simple and clearly the wrong approach.

With that, Mr. Chair, I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

The chair now recognizes the gentleman from Texas' 11th District for 5 minutes for questions.

Mr. Pfluger. Thank you, Mr. Chairman.

I think the good news today is we know Americans can now do math because energy was on the ballot, and we did math, and we now have a new approach to a lot of bad policies that we saw over the past 4 years, which put us in a very precarious and detrimental situation going forward.

And the foundation of our economy is energy. I am proud to have this week on the floor H.R. 26, which will protect a critical innovation and technology, hydraulic fracturing, which, without that, the last 4 years would have been much worse and, with the help of the State of Texas, the Permian Basin in general.

Ms. Eversole, welcome back to the panel. Thank you for being here.

I want to talk about one of the bad policies, the waste emissions charge that came out of the last administration. With regards to cost, production, and the future of the industry, just kind of give us a roadmap for what that will do.

Ms. Eversole. Congressman, thank you very much for your question.

You know, we think about the waste emissions charge or the so-called methane tax is completely the wrong way to go about this. It is in the industry's interest and it is in society's benefit that we keep methane from escaping into the atmosphere.

I have referenced the environmental partnership, which API leads, with a variety of companies across the value chain to help reduce methane emissions. We are committed to doing that.

And I think, from your district, you know, in the Permian Basin, that is really, you know, ground zero for energy production in many ways. You know it is smack dab in the middle of your district. We are seeing decreases in methane, and we look forward to continuing to do that.

Mr. Pfluger. Well, thank you for that, and the leadership that API has shown with the roadmap. Also, AXPC recently submitted a letter. Mr. Chairman, I would like to seek unanimous consent for recommendations by AXPC to this committee.

Mr. Latta. Without objection, so ordered.

[The information follows:]

******** COMMITTEE INSERT ********

Mr. Pfluger. Thank you very much.

Mr. McCown, let's talk about the energy emergency that President Trump just declared. Why did we have to declare that? What does it mean? And what should this committee and Congress and the legislative branch be doing to back that up and get us back on track?

Mr. McCown. Absolutely. Thank you for the question, Mr. Pfluger.

You know, the simple math is, yes, we are producing more oil and natural gas than we ever have, 13.4 million barrels per day. The problem is we are using 20.3 million barrels of oil a day. That is a deficit.

We do produce more natural gas than we consume, and thank goodness we have been able to export it to friends and allies, but we are not yet quite energy independent, and the forced early retirement of baseload energy on the electric side, there is a looming crisis that is going to hit, and it is not going to be fixed by throwing up small-scale renewables.

We need baseload power that is not intermittent, and we need to get on it in a hurry.

Mr. Pfluger. Thank you very much.

And, Mr. O'Connor, I appreciate your acknowledgement of the amount of energy we are producing, but the math problem that we still have is that we have a lot more demand when it comes to what we are going to do in this country, specifically data centers.

Mr. Arnold, thank you for mentioning the fringe groups. I see that is the biggest threat to normalcy, reasonableness, and reality. And so, between Mr. Arnold and Ms. Eversole, I want to talk about the study that was in the 11th hour submitted by DOE that said that it is -- you know, we thought that LNG exports were in the public interest,

and the study was released.

Talk to me about that temporary pause, which they said was a pause, but it actually affected a lot of investment into the LNG sector in getting that overseas.

Ms. Eversole. Congressman, you know, I would simply say that, unfortunately, that was an example of where politics got in the way of durable, long-term investments, and it impacted not only investment here in the United States, but it impacted our allies.

And, as somebody who puts on the uniform and continues to put on the uniform every day, it doesn't have to be that way, and we want to make sure that we can continue to produces LNG in this country and export it to our allies around the world.

Mr. Pfluger. It has been mentioned, permitting reform. Part of that is the judicial reform, litigation reform.

Mr. Arnold, those fringe groups that are very small in percentage but have an outsized voice, tell us your experience with that and how they have been detrimental to the industry.

Mr. Arnold. Thank you for the question.

Really, you know, pipefitters, my fellow workers, they just want to see things that make sense, and LNG facilities, for example, provide tremendous work opportunities. If you look at Cove Point, we had thousands and thousands of pipefitters on that project and continue to have pipefitters on that project for ongoing operations.

In addition to that, you have all the pipeline projects that, you know, have to be built, and that provides additional work opportunities for our pipeliner members. And so let's just do what makes sense and reward Americans that are out there working hard trying to do the right thing.

Mr. Pfluger. I think I heard that in the inaugural address, that we are going to govern with common sense. Thank you for backing that up.

Mr. Chairman, I yield back.

Mr. Latta. The gentleman yields back.

The chair now recognizes the gentlelady from Washington's Eighth District for 5 minutes for questions.

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

First, I would just like to second what a lot of my colleagues have been saying here. Congress funded the infrastructure law and invested in climate and clean energy, and, as a result, billions of dollars came to my State, Washington State, in the form of a hydrogen hub, battery manufacturing, cutting-edge research, grid hardening for utilities, and support for aging hydropower infrastructure.

The Trump administration's decision -- without any Republican objection -- to abruptly and illegally cut off funding already approved by Congress is beyond reckless, and, frankly, it kneecaps our efforts to unleash American energy production and independence. I am also outraged by the reckless Republican attempt to gut the Federal workforce across the board.

Specifically for this discussion, employees of the Bonneville Power Administration, a public agency self-funded by northwest rate payers, mind you, received the same blanket incentive to resign in order to hack away at the Federal workforce.

For those of you who don't know, Bonneville was established to market power from federally owned power-generating damns to ratepayers at cost. They are also a negotiating partner in an international treaty. They provide three-quarters of all Northwest transmission, and they serve as the -- the -- grid balancing authority for the region.

Their highly skilled workforce is already strained but manages all of this, and that is why this is so extremely dangerous. Encouraging resignations of the highly

experienced people who are the few who actually understand how to manage these operations in the Northwest risks decimating affordable access to non-emitting hydropower in the entire northwest.

Bonneville has system operators and support personnel who manage the complex flow of electricity 24/7, 365 days a year. It has a lineman who go out in the worst conditions to repair damaged power lines and restore services quickly as possible. They also bring new energy generation online, processing requests to connect to the grid, getting that into interconnection queue.

These and many jobs at Bonneville require substantial training and -- I want to emphasize -- cannot be easily replaced when you hack away at Federal jobs.

Mr. O'Connor, thank you for being here. As a lawyer working on these clean energy projects, you have dealt with the RTO's interconnection queue that line up to get new power projects connected to the grid. I was wondering if you could comment, have you experienced difficulty with the balancing authority in getting projects hooked up to the grid?

Mr. O'Connor. Yes. I don't have experience with BPA in particular, but I do spend a lot of my time working with the RTOs and TOs and transmission owners and operators to interconnect projects across the country. And, yes, there are delays.

Ms. Schrier. Absolutely there are delays. It is part of the transformer shortage, but part of it is whether it is wind or solar. Connecting to the queue is a very big deal, and, again, cutting employees at Bonneville risks this, risks our energy portfolio, and just slows our transition to non-emitting hydropower.

So I guess what I would just like to conclude with is just that we all want the government to be more efficient. We all want to move that interconnection queue more quickly. But these brute force blanket actions taken so far are not the answer.

We need a scalpel, not a machete, to increase productivity and efficiency in the Federal workforce.

And, if the President truly wants to unleash American energy and do the right thing and focus on non-emitting energy, he and his governing party should not take away the experts who we need to make that happen. It is an insult, frankly, to the experienced workers that we have.

With that, I am going to thank you and yield back.

Mr. Latta. Thank you. The gentlelady yields back the balance of her time.

The chair now recognizes the gentlelady from Tennessee's First District for 5 minutes for questions.

Mrs. Harshbarger. Thank you, Mr. Chairman, and thank you to the witnesses for being here today.

Mrs. Eversole, can you speak to the need for meaningful permitting reform and why it is essential for more pipelines to be built to ensure America can get back on the path to energy dominance? Because you said in your testimony it takes longer to permit an energy infrastructure project than to obtain a college degree.

Ms. Eversole. Yes. Thank you very much for your question, Congresswoman.

Yes. It simply doesn't have to be this way. We are ready to build the projects that we need in this country to address the growing demand, and we can do it such that the energy produces affordable, reliable, and cleaner energy, and the best way to get started, API recommends a five-point policy roadmap. Permitting reform is a key part of that.

But we need to build not only pipelines for oil and gas, but we also, as has been referenced on this panel, we need to build it for CO2 because this is going to take an all-of-the-above approach to meet the energy addition that the demand that we have

requires going forward.

Mrs. Harshbarger. Yes. Thank you, ma'am.

My colleagues on the other side seem to be insinuating that we don't need any new oil expansion to maintain our energy security. And, of course, you said again, which I say all the time, energy security is national security. So would you like a moment to correct the record as to why we need new oil expansion, ma'am?

Ms. Eversole. Absolutely. And I am a military spouse, and I know the sacrifices that the men and women and the families of our servicemembers make each and every day around this country, and I think that the oil and gas industry plays an important part.

Yesterday, the President announced the return to his maximum pressure campaign against the country of Iran. Iran is a net energy producer, oil and gas in particular. And so we are looking at taking, you know, more than a million barrels a day in production off the grid.

And so what did markets do yesterday? They kind of shrugged, and the reason is market, global markets understand that the United States is now the swing producer. We don't have to be reliant on Iran or Russia. We don't have to be reliant on cartels because the men and women of this industry can step up each and every day. And imagine if we were not in a position that geopolitically we had the strength to say to Iran, "Enough is enough."

And so American oil and gas plays a really important role here, and we are proud for what we do each and every day.

Mrs. Harshbarger. Yes, and I agree with that.

Recent reports indicate that Elon Musk's Department of Government Efficiency may we setting their sights on the National Oceanic and Atmospheric Administration, or NOAA. My understanding is that NOAA used a page out of the old playbook of using the

Endangered Species Act to attack oil and gas by way of the Rice's whale.

You know, the more I read about the Rice's whale, I don't know if it is a new species they just discovered or it is an old species that used to be called the Bryde's whale. All I do know is it lives in the Gulf of America, okay.

So what would you recommend to DOGE with regards to the Rice's whale if and when they take a look at NOAA?

Ms. Eversole. Thanks for your question.

Look, we need to get a biological opinion completed so we ensure that we don't have any interruptions in productions in the Gulf of America. It is very clear that that energy produced in that area is among the cleanest barrels of oil produced on the planet. It benefits not only consumers here in the United States, but, as we just discussed, it benefits our allies around the world.

Mrs. Harshbarger. Okay. Thank you for your answer.

And, with that, Mr. Chairman, I yield back.

Mr. Latta. Thank you. The gentlelady yields back.

And the chair now recognizes the gentlelady from Texas' Seventh District for 5 minutes for questions.

Mrs. Fletcher. Well, thank you so much, Chairman Latta. I am so glad to work with you and everyone here on this subcommittee again this Congress.

I want to thank our witnesses for your testimony today. It has been incredibly useful and important.

I represent the energy capital of the world in Houston, and we know firsthand what unleashing American energy looks like. In 2023, Texas generated more electricity and produced more oil and gas than any other State. Texas also led all States in the United States in the production and generation of wind power, and it was second in solar

generation and battery storage capacity.

So, like my colleagues, I am disappointed that, in the first few days of President Trump's term, he has politicized energy issues by declaring a national energy emergency, even though, as we have heard today, the United States is producing energy at record levels, by rescinding many of the Biden administration's actions related to clean energy that we worked on in this committee and in the Congress, by withholding funding by halting new offshore wind projects, threatening baseless tariffs on resources that our domestic energy industry depends on, potentially spiking prices for U.S. consumers as well, and reducing the Federal workforce of regulators that we need in our energy sector, among others. We heard a little bit of that from Congresswoman Schreier.

RPTR MOLNAR

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[12:16 p.m.]

Mrs. Fletcher. Members of this committee know that my constituents and I agree substantively on some of the policy ends that have been announced in recent days, especially efforts to address permitting delays and renewing the review of LNG export permits. And I appreciated your testimony on that issue, Mr. McCown.

But the means employed to do this are deeply troubling. And, frankly, I am disappointed that this committee didn't get the permitting work done in the last Congress because that is what we are here to do and that is what we need to do. I hope we will be able to do it in this Congress.

That said, the sweeping orders that President Trump has signed really fail to give our energy industry the regulatory certainty it needs to succeed. It is just not what unleashing American energy looks like.

With the United States producing more energy than ever before from all sources, now is not the time to halt innovation, much of which is happening in my district and my hometown near Mr. Weber and not too far from Mr. Pfluger.

Houston is home to 11 percent of U.S. energy jobs and more than 4,700 energy-related firms, and the number one issue I hear about from people in the business who work in my district and beyond, many of them API members, is the need to know the rules and requirements to trust that long-term projects can move forward once they are approved. They need permitting certainty. They need investment certainty. They need to plan.

And before making these multi-billion-dollar investments that Americans rely on, the people who are undertaking them need to be able to rely on the process. And what

we are seeing right now is a destruction of the process -- the legislative process, the agency process -- a destruction that is going to have impacts and chaos for years to come.

Among other things, having a reliable process means having qualified, experienced personnel in the agencies responsible for the permitting process.

We have all seen the news of what is happening in the agencies and the directives from unelected billionaire Elon Musk, who now has access to all kinds of databases and has interns sending legally questionable memos to career civil servants telling them to quit their jobs.

I can't imagine that anyone waiting on a permit wants that kind of chaos and delay.

It also means supporting investments of all kinds in energy, to get more energy to the grid for Americans, and to continue to develop technologies that get more power onto the grid and technologies that we can export.

The war on wind and solar is nonsensical. And don't just take it from me. It was the Republicans in Texas, President Trump's first Secretary of Energy, then Governor Rick Perry, that had the vision to build out our wind infrastructure more than two decades ago.

The diversity -- yes, diversity -- of energy sources on our grid in Texas has spurred innovation of all kinds.

We have some of our own challenges to address with grid resiliency and demand, but taking sources off the grid is not the way to solve it.

And it is critical, as you said, Ms. Eversole, that lawmakers and industry experts work together to implement smart energy policy that will be durable, that will allow members of our communities to innovate, create, and plan for the future that we all want.

That said, I have only got about 20 seconds left for questions, so I am going to submit the many questions that I have for the panel for the record. But I really want to thank you all for your time.

Each of you has questions coming from me, and I am sorry that with so much to say and so much going on, I didn't get the chance to have you answer them, but I look forward to seeing your written responses on these hugely important issues.

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

Mr. Latta. The gentlelady yields back the balance of her time.

The chair now recognizes the gentlelady from Iowa's First District for 5 minutes for questions.

Mrs. Miller-Meeks. Thank you, Chairman Latta and Ranking Member Castor, for holding this hearing today. And I also want to thank our witnesses for testifying before the subcommittee.

If you go to the House chambers and you look above the seat of the Speaker, you will find a saying that says, "Let us develop the resources of our land." And that is exactly what Iowa has done.

Iowa stands as a powerhouse in America's renewable energy landscape and has transformed its agricultural abundance into vital biofuels, producing over a quarter of the country's fuel ethanol and biodiesel and trying to get into sustainable aviation fuel as well.

Its wind turbines, second only to Texas, harness the strong prairie winds to generate an impressive 59 percent of the State's electricity, and we are a net exporter of electricity.

This blend of agricultural might and renewable energy innovation has positioned Iowa as a crucial player in America's energy sector, offering its residents some of the most

affordable electricity rates in the country, while maintaining high per capita energy consumption, and also bringing businesses into our State that rely upon this mix.

We know that for the United States to be competitive economically, that we have to have abundant, affordable, reliable, secure energy, and that is what this hearing is about.

Mr. McCown, I don't have a question for you. I just want to thank you for your many years of service as a fellow veteran.

Ms. Eversole, thank you for also mentioning the TCJA. It needs to be reauthorized at the earliest possible date for stability and continuity.

Mr. Arnold, thank you for mentioning 45Qs.

And also, Mr. O'Connor and Mr. Arnold, thank you for mentioning Canadian oil. As I recall, it was President Biden in an executive order who cancelled the Keystone pipeline, which led to the loss, if I remember correctly, of about 11,000 American jobs, most of those union jobs.

Mr. McCown, I would like to ask you about the importance of any-of-the-above energy mix, and we have most of them in the State of Iowa, and that includes a diverse mix of generation sources.

We know that wind and solar have become significant parts of the electricity mix, but they don't have a dispatchable, continual baseload, and storage will help with that.

Can you explain why it is important to our economic and national security? And I say that not as just a quip. It is tremendously important to national security to have a diverse energy supply from all generation sources and that is both abundant and affordable.

Mr. McCown. Absolutely. Thank you so much for that question.

Like we said, don't put all of our eggs in one basket. Have different. And as I

listen to both sides, believe it or not, I think there is more consensus here than maybe we might think about some days.

We do need an approach that includes everything in our energy mix, and that particular mix, the percentages of that mix will change over time as technology and innovation move forward.

The trouble is, if you push a transition -- and leading experts say transitions take years, decades, or even centuries, you cannot will it through congressional mandate overnight, molecules do not respond that way -- we have to be careful about how we change this mix, and we have to understand that the reality of today is that fossil fuels are powering the future. And if we want to reduce our carbon footprint, we should start by talking to the Chinese and the Indians.

And so with that, the SAF, the ethanol, the CCS projects that you have going on in your State are fundamentally crucial for this country, and I think your State is a model of how to do things.

Mrs. Miller-Meeks. Well, as chair of the Conservative Climate Caucus, I believe that we can leave a cleaner, healthier planet to our children and grandchildren and compete economically around the globe.

We should focus on reducing emissions and solutions rather than trying to support and subsidize certain industries.

And you brought up a crucial point about carbon-based fuels. I, too, have a lot of questions which I will submit for the record.

But, Ms. Eversole, expanding American energy production is crucial for keeping energy prices affordable.

One of the things that has not been mentioned in this industry is the fracking revolution led to saving, according to NBER, 11,000 American lives since 2005, lowering

emissions in the United States, greater than any other country, while increasing energy generation by 48 percent. That is quite a stellar record.

So we know that it helps national security, our energy security, it helps energy poverty, and it drives economic growth.

The administration has taken important steps, like restarting the LNG export approval process. In your view, what additional actions are needed to reduce barriers and accelerate development of America's vast energy resources, because demand is only going up, and we need every energy supply generation that we can possibly muster using our natural resources?

Ms. Eversole. Thank you, Congresswoman. I would point to API's five-point policy roadmap that contains solutions that we all need to benefit from.

Mrs. Miller-Meeks. Thank you. I will submit questions for the record.

I yield back.

Mr. Latta. Thank you very much. The gentlelady yields back her time.

And the chair now recognizes the gentlelady from New York's 14th District for 5 minutes for questions.

Ms. Ocasio-Cortez. Thank you so much, Mr. Chair.

At the beginning of this term, President Trump has allegedly promised to cut energy prices to Americans in half within 18 months, a tall order. And for the record, the price of gas on the day that President Trump was sworn in was about $3.01 a gallon.

Yet this past weekend, Donald Trump announced one of his first major energy price policies, which is gas tariffs, including broader tariffs on Canada and Mexico.

Mr. O'Connor, the broad tariffs on Canada and Mexico, the 25 percent tariffs, also include tariffs on energy, correct?

Mr. O'Connor. Correct.

Ms. Ocasio-Cortez. Okay. And what percent of U.S. crude oil imports come from Canada and Mexico?

Mr. O'Connor. I think between 50 and 60 percent from Canada and around 10 percent from Mexico.

Ms. Ocasio-Cortez. Uh-huh. That is what we see here. About 60 percent of the crude oil that the U.S. imports comes from Canada, and about 10 percent comes from Mexico.

So we are talking about two-thirds of all U.S. crude oil imports come from Canada and Mexico. And if they come from those two countries -- and Donald Trump is announcing overnight tariffs on these two nations -- let's dig into what that means.

If we were to place tariffs on two-thirds of the United States' crude oil imports, what impact would that have on prices?

Mr. O'Connor. Yeah. They would increase. I think I saw something from Yale that said gas prices would increase about 4 percent, but significantly more in the Midwest.

And then we would also see higher prices from natural gas. I think, Ms. Schrier, in the Pacific Northwest, you import quite a bit of natural gas from Canada, so those prices would go up.

And, of course, New York imports hydro from Hydro-Quebec, and, frankly, it is unclear to me how the tariffs would apply to electricity, but I think NYISO has expressed concern that it would raise electricity prices in New York.

Ms. Ocasio-Cortez. And these tariffs will increase prices in other commodities as well.

So what I am hearing is that despite all of this talk that Donald Trump and the Republican Party have about driving down energy costs, their first decisions are actually

to drive up energy costs, including prices at the pump, across the United States.

And that has knock-on effects across the entire economy, right? These prices are not just contained. They are not just hiking prices on oil and gas. Oil and gas prices will then hike up prices on groceries and pretty much any good that gets transported, as well as housing and construction, correct?

Mr. O'Connor. Yeah. That is right.

Ms. Ocasio-Cortez. Okay. And so we are looking at almost an all-economy increase in prices. And that has also been backed up in previous price changes as well.

In fact, oil production and what we have seen is that in 2023, in some of these gas price increases, we saw knock-on effects across the entire economy before, right, with gas?

Mr. O'Connor. Yes.

Ms. Ocasio-Cortez. Okay.

So I think what we need to really hone in on here is that what we are seeing is that the Trump administration is saying one thing but doing another. And if the Trump administration is promising to lower energy prices, it is important for us to ask: Why are they making decisions to do the opposite? But let's --

Mr. O'Connor. I hope you are not -- oh, I am sorry.

Ms. Ocasio-Cortez. Oh, go ahead.

Mr. O'Connor. I hope you are not asking me that question. I don't know.

Ms. Ocasio-Cortez. I think we will dig into it.

So let's pause for a second, and I want to put a pin in that, and let's talk about solutions, because while preventing these short-term spikes is important, we do need to invest in the long-term infrastructure to actually drive down energy prices.

And what the Trump administration is doing is not just doing tariffs, but they are

also attacking expansion in energy production on renewable energy as well. And more energy means more energy across the board.

So what would be also the knock-on effects of reducing renewable energy production while increasing tariffs on oil and gas?

Mr. O'Connor. Yeah. I think we are going to see higher electricity prices, higher oil and gas prices.

I think Ms. Eversole mentioned the need for permitting reform. It is notable that one of President Trump's first actions was to pause permitting for projects -- wind and solar projects particularly, but not exclusively -- on Federal lands. And so I think we will see the knock-on effects, and consumers will, unfortunately, pay the price.

Ms. Ocasio-Cortez. So we are talking an explosion in prices, but when we talk about also as well as permitting reform, I also just want to acknowledge Mr. Arnold and some of your statements you have made on geothermal energy.

I think that one of the areas that we can find bipartisan agreement is the fact that we do want to make plenty of jobs in this country, especially for pipefitters.

I know you are from Colorado, but we work with our pipefitters in New York. And in order for us to really invest in projects that will create jobs for not just your union but Americans in -- and not just your local but Americans and locals like yours across the country -- is tremendously important, especially in areas where we can invest in those projects while also cleaning up our energy supply.

So thank you.

Mr. Latta. The gentlelady's time has expired.

And the chair now recognizes the gentleman from Michigan's Tenth District for 5 minutes for questions.

Mr. James. Thank you, Mr. Chairman.

Apparently Democrat gaslighting produces zero emissions. But what does their radical agenda mean for constituents in my district and your districts who pay more at the pump, who pay more for groceries?

Folks in southeast Michigan have experienced their jobs being extinct, being shipped to other States, being shipped to other countries, because Green New Deal woke policies do not work in the real world.

Let's look at this from a 30,000-foot view. Over the past 4 years, every American has footed a higher gas bill, higher energy costs, and rising prices to keep their cars running and their homes heated.

Under the Biden-Harris administration, they totally bent over to the radical left. We stopped producing cleaner, affordable energy in America to fit a narrative that only serves coastal elites and the rich in New York and California.

What did this lead to? Our Strategic Petroleum Reserves hit lows we haven't seen since I was a baby. That meant the U.S. relying on energy that was unclean, energy that I would note is from dictators and despots in Moscow and Beijing and Tehran.

Here is the inconvenient truth for my friends on the left: Energy produced and developed here in America is cleaner, it is safer, and it doesn't threaten our national security. In fact, it bolsters it.

And what is worse, relying on our adversaries for energy means American jobs go down and not up. My constituents in the Detroit area are all too familiar with this, seeing the reckless policy effects of the EV mandates.

Another failed policy billable to the Biden administration is importing sour crude, which has funded our adversaries. And we talk about infrastructure investments on the left side? Well, how about shutting down the Keystone pipeline, which got rid of 11,000 union jobs.

Now, the Democrats' Green New Deal agenda is the Grim Reaper for American jobs and actually clean energy.

Being able to actually move forward into a future where we can all have cheaper, safer, cleaner energy is our goal. "All of the above" is the approach.

The Line 5 pipeline is something that is a critical artery of energy for transporting crude natural gas in western Canada, which goes through Michigan, through the Great Lakes. And Line 5 is not just an economic driver for Michigan, but it also provides energy to the east side of Canada.

Unfortunately, radical environmentalists and ambitious politicians, in both Lansing and Ottawa, have become obstacles to common sense. They are banding together to shut down Line 5 in violation of a treaty that we have with our Canadian neighbors.

Ms. Eversole, in your expert opinion, do you believe that restrictions like those restrictions on Line 5, and having an all-of-the-above energy approach, continuing to trade with our Canadian allies makes us weaker or stronger?

Ms. Eversole. Indeed, these restrictions make us weaker.

Mr. James. Thank you.

Two weeks ago, Michigan State regulators approved a $217 million rate hike on the DTE Energy, a power provider in southeast Michigan.

According to MPSC, the State regulator, DTE must charge consumers more to upgrade old power lines and continue maintenance to improve reliability.

Now, we know that Michigan is now ranked 38 out of 50 for having the highest energy costs.

Mr. McCown, in your expert opinion, is this a recipe for success, increasing costs and price without also having permitting reform and allowing an all-of-the-above approach, to include natural gas, to smooth our way away from coal and smooth our way

toward nuclear, or do increased regulations increase costs on consumers?

Mr. McCown. Mr. James, you are spot on. Increased regulations increase costs, and far too often utilities are more than happy just to pass that along to the consumer instead of investing some of their profits back as well.

Mr. James. Thank you.

Last year I spoke on the House floor about how Biden's war on LNG was going to harm Michigan specifically. We have 1.1 trillion cubic feet in underground storage, which is one-eighth -- one-eighth -- of the entire Nation's natural gas storage capacity.

Given DTE and consumers' baseload requirements that are increasing over the years versus the regulations in Michigan -- we have been dealing with heavy-handed restrictions on building additional natural gas facilities and the supporting infrastructure requirements that we need to convey that safely with less power outages across the State -- with a Republican House, Republican Senate, and White House, what can this Congress do to scale up natural gas as a reliable source again, Mr. McCown?

Mr. McCown. Well, there are several things we can do. Number one is, we can stop the war on fossil fuels. We can have revised permitting. We can invoke public-private partnerships, loan guaranty.

Some of the very same things that have been done for the renewable industry could be done to expand our natural gas or other fossil fuel industry too. It should be a level playing field for everybody.

Mr. James. We all want clean air. We all want clean water. We all want to reduce pollution. But we also don't want to send our countrymen to the poorhouse trying to pay for sunshine and rainbows before our infrastructure is ready for it.

The former President's LNG war is a top -- well, let me -- I am running out of time here, so I will just say, we need to have something that is environmentally, economically

friendly, and I plan to work on an all-of-the-above energy approach with my colleagues on the left and right.

Thank you, Mr. Chairman.

Mr. Latta. Thank you very much. The gentleman's time has expired.

The chair now recognizes the gentleman from Massachusetts' Fourth District for 5 minutes for questions.

Mr. Auchincloss. Thank you, Chairman.

We have heard during this hearing about an all-of-the-above energy strategy, and the chairman himself talked about not picking winners or losers in our energy policy.

And yet the President came into office and immediately picked a loser in the energy approach, which was to say issuing a moratorium on offshore wind production.

This not only is going to raise costs for consumers, particularly in Massachusetts, where up to a million homes could have been powered by offshore winds in a reliable and affordable manner; it also, in my own district, cost hundreds of good jobs.

The company Prysmian, a cable manufacturing company, was supposed to build a $300 million manufacturing plant in Somerset at Brayton Point. They had negotiated all the permits, they had signed all the deals, and they walked away after Donald Trump took office because they could not deal with the uncertainty that he had engendered.

Now, Ms. Eversole, I know that API has actually worked on offshore issues with the offshore wind industry, and I must ask you, while this moratorium itself is not problematic for you and your constituency, do you think it is a good precedent that a new chief executive can walk in and based off an EO drafted by one Member of Congress who hates offshore wind, do you think it is a good precedent that one new chief executive can come in and target a specific industry with a moratorium, given what you have said about the need for rule of law and certainly in investment?

Ms. Eversole. Yeah, Congressman. Thank you for your question.

I think this is the perfect example where we see that policy has real consequences. Our industry, representing oil and natural gas, of course, certainly felt this in the last administration when there was an all-out ban on LNG exports.

Mr. Auchincloss. Nothing that happened in the last administration even approaches a moratorium on an entire sector of energy production.

You can imagine that, despite what Donald Trump says, he ain't serving a third term. A Democratic President can take office in 2029, and how would API feel if a Democratic President acted towards the petroleum offshore production in the same way that Donald Trump has just acted towards offshore wind production? Is that something that would engender business confidence in your constituency?

Ms. Eversole. I am actually really reassured because of the substance of what we have talked about today. There is a lot of agreement, swinging in either direction by the way, every 2, 4, or 6 years.

Mr. Auchincloss. Well, I will reclaim my time.

What I am not hearing from you is any full-throated support of this precedent because I think you recognize that empowering one individual to cancel an entire industry is not good business for API.

And I would just caution my colleagues on the other side of the aisle that what goes around comes around.

Moving towards an area where I think there could be more bipartisan consensus is geothermal. What is clear is hot rock geothermal, in particular, which is the ability to drill 5, 6, 7 miles beneath the Earth's surface, has a tremendous potential to unlock clean, reliable, high baseload power.

And it can be a bipartisan issue. We can drill. We can drill clean energy. We

can reindustrialize big segments of the United States. And, in terms of energy security, we can be an exporter of a technology that can retrofit many of the coal-fired power plants that China and India are currently building, getting us closer to 1.7 degrees Celsius by 2050. This is a triple-win issue.

Mr. O'Connor, what would be the effect on repealing the robust suite of tax credits, the tech-neutral tax credits in the IRA, for our ability to do next-generation hot rock geothermal?

Mr. O'Connor. Yeah. Thank you for the question. And I think you have kind of answered it in the question, which is, the technology-neutral tax credits incentivize geothermal production. And so if you were to repeal the IRA, you would necessarily be undermining that industry right at the time that it is really poised to take off.

Mr. Auchincloss. I yield back my time.

Mr. Latta. Thank you very much. The gentleman yields back.

And the chair now recognizes the gentlelady from Florida's 15th District for 5 minutes for questions.

Ms. Lee. Thank you, Mr. Chairman, for holding this important hearing, and to our witnesses for being here today.

Today's hearing makes clear for all of us that energy independence is critical for our national security and our economic strength.

On day one of his administration, President Trump made clear that he will restore the United States to a position of energy dominance, reversing dangerous and failed anti-energy policies of the Biden-Harris administration that forced us to rely upon our adversaries for energy needs, while driving up costs for everyday Americans.

I appreciate the testimony and insight from our witnesses today about the actions Congress can take to help unleash our energy production, restore national security, and

lower costs for my constituents in Florida and Americans across the Nation.

Mr. McCown, I would like to return to your testimony.

The Biden administration's fixation, in particular, on EV mandates ignored the economic realities and geopolitical considerations of the manufacturing supply chain.

We know that China exploits their dominance over critical mineral processing facilities in the supply chain for EV manufacturing.

We have also seen firsthand, in my district and other places, how disastrous and inadequate these vehicles can be in the event of extreme weather.

Last year, you penned a letter to President Biden, along with 16 former military and national security experts, highlighting concerns about how the rush to electrify our transportation industry will further deepen our Nation's reliance on an adversarial nation like China.

Mr. Chairman, I would like to ask for unanimous consent to include this letter into the record.

Mr. Latta. Without objection, so ordered.

[The information follows:]

******** COMMITTEE INSERT ********

Ms. Lee. Mr. McCown, would you expand on the purpose of this letter and why a substantial community of national security experts maintains concerns about domestic policies that effectively mandate electric vehicles?

Mr. McCown. Sure, Ms. Lee. Thank you for the question.

Look, I am not anti-EV. I own one. But it works in some instances better than it works in other instances. It is a great "around the town" car. It is great if you have a wall box in your house you can charge overnight.

But that EV battery came from China. The raw materials came from China.

We are at a huge deficit when it comes to being able to produce, outside of the Chinese supply chain, the rare earth materials, critical minerals that we need, number one.

Number two, while they are an important component of our overall transportation fleet, it is not the only answer, and EVs are not the only answer for everything.

They just don't work in circumstances. I have operated them in Alaska. I have driven them across country. Longer conversation for a different time. They are just not quite ready for mass application.

And further, to electrify the energy system, the electricity grid, as Mr. Peters has pointed out, we have been unable to add power to the grid for decades. The grid is not ready to handle that load, and the fixation about banning gas would even push more -- natural gas -- would push even more onto the electric grid. It is just not smart policy.

Ms. Lee. I also noted in your written testimony you included the statement that attempts to demand an energy transition cannot be willed by policymakers. Physics beats policy every day.

Tell us what you mean by that statement.

Mr. McCown. Sure. There are promising technologies. We talked about geothermal from the gentleman from Massachusetts. It has strong promise. We haven't yet talked about hydrogen. That also offers some strong promise.

But these technologies take time. I would like to have a fusion reactor tomorrow. It is not ready yet.

And we can't mandate the deployment of fusion where it doesn't exist. We can't mandate the deployment of certain technologies by picking winners and losers through tax credits, incentives, or straight-up taxes to change the real world.

We need to invest in R&D, and we need to be patient, and we can keep moving toward a cleaner future while not losing affordability or reliability.

Ms. Lee. You also mentioned twin goals of supply and resilience as being part of energy security overall.

I would like to ask specifically about the resilience piece and what you can share with us on the types of cyber threats that pose a risk to the security of our energy infrastructure.

Mr. McCown. Yes. I mean, it is obvious that the more interconnected we become, the more vulnerable we are to outside actors and malicious threats. We have seen that with the Colonial Pipeline system, we have seen that with other infrastructure systems, and another reason why we need not only resilience, but backup systems, secondary systems.

We can't put all of our eggs in one bag, and electrifying everything is putting all your eggs in one bag right now.

Ms. Lee. Thank you, Mr. Chairman. I yield back.

Mr. Latta. Thank you very much. The gentlelady's time has expired.

And the chair now recognizes the gentlelady from Virginia's Fourth District for 5 minutes for questions.

Ms. McClellan. Thank you, Mr. Chairman and Ranking Member Castor, for holding this hearing, and to the witnesses for being here.

I want to start with saying that the dismantling of the Federal Government agencies that we are seeing right now is alarming. And the Trump administration's unprecedented attacks, with the help of Elon Musk, on our Federal workforce and critical programs harm all Americans, regardless of who they voted for. This damage affects every industry in our Nation, including the energy industry.

As a State senator, I led the passage of the Virginia Clean Economy Act in 2020, making the Commonwealth the first southern State with a hundred percent clean energy standard.

And it has spurred economic growth as clean energy jobs in Virginia have grown more than three and a half times faster than overall employment, with over 100,000 clean energy jobs in 2022 alone.

And it has driven major projects, like the Coastal Virginia Offshore Wind Project, which supports nearly a thousand jobs and $143 million in annual economic output.

Similarly, Commonwealth Fusion Systems has recently announced that they are going to build the world's first commercial fusion power plant in my district, and in over 5 years this facility could generate enough clean energy to power 150,000 Virginia homes.

And given the increased energy demand that we have heard so much about in this hearing today, I am perplexed by the Trump administration's plan, as outlined in Project 2025, to kill home-grown wind and solar and clean energy, illegally rob thousands of energy projects across America of billions of dollars in investment, and declare a nonsensical energy emergency that simply doesn't exist, and the administration's sole

focus on building more fossil fuel infrastructure that locks us into decades of harmful emissions that not only hurt our environment but our national security interests.

As a former member of the Armed Services Committee, as we have seen how climate change impacts our military readiness, operations, and our servicemembers, as the largest naval base in the world sees more and more storms and rain that bisects the basin in half when it floods, and people can't get from one side to the other, as just one example.

Now, I also want to address the Trump administration's posture toward liquefied natural gas.

In December, the Department of Energy released a study on the impacts of LNG exports, and Secretary Granholm made clear that allowing unconstrained LNG exports would increase domestic wholesale natural gas prices by 30 percent and cost households well over $100 a year; this in addition to the climate impact and environmental harms to overburdened communities near export facilities.

And so, Mr. Chair, I ask unanimous consent to enter Secretary Granholm's statement into the record.

Mr. Latta. Without objection, so ordered.

[The information follows:]

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Ms. McClellan. Thank you, Mr. Chairman.

It is also worth noting that last year House Republicans tried to pass a bill to eliminate the requirement for the Department of Energy to review whether LNG exports served the public interest, even though the public interest standard has been used for over a century for just about every energy project ever done.

And so I want to ask, Mr. O'Connor, if you could explain the importance of the Natural Gas Act's requirement for the Department of Energy to ensure that LNG exports are in the public interest.

Mr. O'Connor. Sure. Thank you for the question.

So as you noted, the Natural Gas Act requires the Department of Energy to evaluate whether an LNG export application is in the public interest.

It is my personal view -- and I think something that is probably consistent with Mr. McCown's view -- that LNG exports to NATO allies, for instance, are in the national interest because we are supporting critical allies.

But I think at the same time, it is also important to evaluate the impacts to Americans and domestic gas prices. And I think the public interest test that is performed or public interest analysis that is performed I think reasonably credits the national security benefits and the investment benefits that LNG exports might bring to the United States and to our allies, while also balancing concerns against the impacts to consumers, which I think we would all want to know before making any decision.

Ms. McClellan. Thank you, Mr. Chair.

And, again, I would just note, after having spent 25 years as a utility regulatory lawyer, the public interest standard has been used in every single energy electric project component at the State level and the Federal level for over a decade, and I think any effort to roll it back is dangerous indeed.

And with that, I yield back.

Mr. Latta. The gentlelady yields back.

And the chair now recognizes the gentleman from Ohio's Sixth District for 5 minutes for questions.

Mr. Rulli. Thank you, Chairman.

This question is for Ms. Eversole.

Ohio-6 produces 90 percent of the State's natural gas in Utica wells and are breaking oil production records. I understand Intangible Drilling Costs represent 85 percent of the costs of just drilling a brand-new well, and this would, in turn, affect wages for workers like Mr. Arnold.

The Inflation Reduction Act attacks blue collar workers, period, by taking away oil and gas companies' ability to deduct IDCs under the block minimum tax.

Why do other industries get to write off their businesses' expenses while the oil and gas industry does not?

Ms. Eversole. It is a great question. We hope that this is something that can be addressed in this Congress. Because what we need to do is encourage continued investment here in this country, and that provision, which is not unique to oil and gas, we are just simply asking that it be fairly applied across all industries, including mine.

Thank you.

Mr. Rulli. Well, thank you so much.

I have a second question for Mr. McCown.

The Biden administration showed that tomorrow's energy production, and that the United States' position as a global leader, can be hurt by policies put in place today.

In your opinion, what is the single most important policy that we can champion to ensure America's energy dominance and national security going forward?

Mr. McCown. I think we can assure a level playing field that understands that we need the best of the above, which includes most of our energy resources, while helping research and development for emerging sources.

But at some point, these commodities need to stand on their own. They need to be commercially viable. We have to look at the cheapest, most reliable sources possible to power our baseload energy.

Mr. Rulli. Excellent answer.

In my opinion, so in Ohio-6, we have enough in Utica and Marcellus Shale to supply the Earth for about 500 years. And in reality, when you take that into consideration, we could put an end to Middle Eastern wars where none of our boys or girls ever die again in a Middle Eastern war we have no business being in.

I thank you for your opinion.

And with that, Chair, I would yield my time back.

Mr. Latta. Thank you very much. The gentleman yields his time.

And the chair now recognizes the gentleman from Texas' 33rd District for 5 minutes for questions.

Mr. Veasey. Mr. Chairman, thank you very much, and I want to thank the panelists for being here.

What I am worried about right now is the hell that is being unleashed on the American public, the hell that is being unleashed on employees all around the country that have anxiety about what is going to happen next, news about the CIA today.

That stuff is unsettling, and none of that stuff is good for energy production in this country. And I am glad that we are having this hearing because we do need to figure out ways that we can talk about this subject and it not be so divisive.

I like the comments Ms. Eversole made earlier today, like it doesn't have to be this

huge "us versus them" type deal. This is not the Cowboys versus the Eagles, because if it is the Cowboys versus the Eagles, I am telling you who I am going to root for every time, and this conversation doesn't need to be that way.

But I am worried, and one of the things that honestly really worries me as a Texan that has been down to the Permian Basin and knows how it works is the hell that has been unleashed when it comes to the area of immigration.

Anybody that has been down there knows -- it is no secret -- anyone that has been down there knows that if you were to really do a mass deportation in this country and clean this country out and send everybody to Guantanamo or wherever else, that you ain't pumping a dang thing out of the ground in the Permian Basin because several of those jobs in that area, particularly some of the more dangerous, some of the jobs that are the more entry-level jobs, are done by people in this country that are undocumented.

But we are not talking about that. We are not talking about that at all and how we can work together to pass some sort of comprehensive immigration bill so we can have a more stable employment base when it comes to upstream energy production. It is crazy.

In the Texas Legislature last session, they had a bill, the Republicans had a bill that would have put this really strict E-Verify. Because everyone knows what is happening down there. They use these third-party companies to bring in these workers. And so it gives the larger companies cover to have these people working down there that are undocumented here. And they get them papers and they give them everything.

But instead of trying to actually fix this problem and make people not have to worry about how they are going to do that and cause uncertainty in the markets, then we play this game on immigration instead of us actually coming together.

And the Republicans here that serve on this panel with me from Texas, they know

that that E-Verify bill was killed because of industries like construction and energy that didn't want to touch the topic because, like Dr. Perryman said, who is one of our State's leading economists, that used to work for Rick Perry, who was a Trump appointee to Secretary of Energy, that if you deport all of these people the way that they are saying and you unleash this mass chaos, that it would actually bankrupt Texas and bankrupt this country.

But, no, we are not really talking about that, and that is really unfortunate.

Look, I want to work with my Republican colleagues on this issue. I have agreed to work on this, to be a part of this bipartisan caucus that is being created on energy security because I think that it is important. But some of these other overarching issues around these tariffs and immigration and this madness that has been unleashed, we really do need to address those.

And in the brief time that I have left, I just wanted to ask, Mr. Arnold, your testimony highlights some great work that has been done in Louisiana and Colorado, and I commend you for the work that has been done there.

But I did want to get your impressions on what repealing IRA tax credits like 45Q would do for these future projects. Shouldn't we, if we are really for all-of-the-above and really concerned about energy dominance in this country, shouldn't we be working to expand those opportunities?

Mr. Arnold. Thank you very much for the question.

Absolutely, as included in my written testimony, fully supportive of 45Q tax credits. I think they are critical to the support of carbon capture sequestration systems and projects moving forward.

And certainly appreciative to any support for nuclear power generation as well as the other alternative energies that we have listed -- blue hydrogen, biofuels, geothermal.

I just think we are asking for support of all those good jobs. And let's look at the number of jobs and the quality of jobs and make sure we have policies that are supporting where those good jobs are created, where they exist.

Mr. Veasey. Thank you.

And, Mr. Chairman, I hope that we can continue to have some discussions on how we can really unleash America's energy dominance in this country by addressing some of these overarching issues and coming up with some real solutions on things like immigration reform in this country and doing away with this silly talk about these tariffs, which looks like they are paper tiger talks on tariffs.

Thank you.

Mr. Latta. Thank you. The gentleman's time has expired.

And the chair now recognizes the gentleman from Oregon's Second District for 5 minutes for questions.

Mr. Bentz. Thank you, Mr. Chair.

Ms. Eversole, when I looked at this hearing title today, I saw it was "Unleashing America's Energy," I thought it should have also included the word "keeping" America's energy.

I say that because I am from Oregon, and we have Bonneville Power Administration, which was mentioned earlier by the Congresswoman from Washington. And it has about 18 hydroelectric dams, four of which have been targeted by the Biden administration to be removed, about a thousand megawatts of firm power, but it can go up to 3,000 in a pinch. And the dams could actually be increased in size to add considerably more generation capacity.

Yet the Biden administration, through the CEQ, it decided that it could cause these dams to be removed for reasons having little to do with fish and lots to do with politics.

This is a huge part of the Bonneville Power Administration's firm power arrangement, which acts as a balancing thing for all kinds of intermittent power-producing things that have been put in, solar and wind and the like.

My question to you, though, has to do with refineries, because refineries are integral to how we keep this country going. And yet I understood several years ago that we were dramatically short on diesel refineries.

In fact, when they shifted our fleets, all of our fleets over to cleaner fuel, we thought there would be a huge shortage. Apparently, we were able to avoid that in some fashion.

But what I am most concerned about when it comes to unleashing our energy is making sure we have a way to actually make it work for us.

Before you answer, and I want to ask this because you can answer that, and then there is also an attempt in Oregon and California under the Clean Air Act -- California's Clean Air Act -- to ban diesel trucks.

So having lots of diesel doesn't do you much good if you don't have a place to use it. So unleashing all this energy is no good if you can't get your hands on it and use it.

So first question, what are you doing to maintain the refining capabilities of America? And secondly, what do we do about this attempt to destroy our markets by banning diesel fuel?

Ms. Eversole. Congressman, thank you very much for your question.

Unfortunately, there has not been a large-scale refinery built in this country since 1977. It just doesn't make any sense.

The technology, the way that our energy markets were set up in the late 1970s, does not reflect how the energy realities are of today. And, unfortunately, what we are seeing is the signals that are being sent to the marketplace is that, gosh, we shouldn't do

this in the United States.

I completely disagree. We need to add refining capacity here in the United States. We do a lot of work through innovation, and that is great, but that only takes us to a certain point.

So we need to critically address permitting reform. It is important for our refining sector.

And then, I am sorry, the second part of the question?

Mr. Bentz. And so the second question, well, it doesn't do you much good if you have refining if you have no place to sell your product. So I think the concept was, well, we will ban the use of diesel in heavy trucks, and that way it won't matter if you have refining capacity.

So my question to you is, when we talk about unleashing energy, shouldn't the conversation be broad enough to address how we can use it?

Ms. Eversole. Absolutely. And, specifically, banning certain forms of energy, it just doesn't make any sense. We are in a position right now where it is about energy addition.

Diesel literally powers our economy. It is a reason why we are able to move things around this country efficiently, and we need to continue to be able to do that.

What we also need to be able to do is think about emissions reductions from the context of the maximum reduction of emissions from the atmosphere for the minimum cost to society. That unlocks an entirely different set of choices rather than we look at things in isolation.

Mr. Bentz. So you mentioned earlier, many people talk about the need to do something about permitting, and I think your phrase was these types of activities receive, quote, "a high level of scrutiny," which is the understatement of the entire morning -- or

afternoon.

What would you specifically state that we should be doing in the permitting space? And I have a lengthy background in this area, but I want to hear from you guys. What is it that we should be doing when it comes to making permitting work better.

Ms. Eversole. Yeah. Three things in particular.

We need to avoid the further weaponization of NEPA, of the Clean Water Act, because those provisions are being used to stop energy projects.

Mr. Bentz. You mean the abuse by lawyers taking this --

Ms. Eversole. Correct.

Mr. Bentz. -- and bringing you into court and keeping you there for the rest of your life --

Ms. Eversole. Correct.

Mr. Bentz. -- in discovery and all of that?

Ms. Eversole. Correct.

Mr. Bentz. That is one. What is the second?

Ms. Eversole. Correct.

And then judicial reform. Anyone, anywhere, anytime can stop these projects. We have to end the ability of the courts to stop rational energy development, both of oil and gas but also of projects across the economy.

Mr. Bentz. So I hate to interrupt you, but I left the Judiciary Committee to come to this committee. I am now on this committee. So telling me to go back to Judiciary, I am not going to do it.

Ms. Eversole. We need your help everywhere, Congressman.

Mr. Bentz. Okay. Thank you. Yield back.

Mr. Latta. Thank you. The gentleman yields back.

And the chair now recognizes the gentleman from New Jersey's Eighth District for 5 minutes for questions.

Mr. Menendez. Thank you, Chairman.

Thank you, Ranking Member.

Mr. O'Connor, I want to talk about the funding freeze that the President put in place for investments from the Inflation Reduction Act and the Infrastructure Investment and Jobs Act.

To be clear, the freeze is illegal, and litigation has put a stop to it for now. But what should be problematic to all of us is the fact that this illegal freeze would prevent investments that would improve American families' lives, provide relief to our constituents with respect to their utility bills, and do exactly that which we are talking about here today, investing in America's energy dominance.

Further, we have heard a lot from our colleagues across the aisle and from the President about affordability being a top concern. But now the President and Republicans in Congress are supporting actions that will make people's monthly bills more expensive.

Additionally, there are reports of companies that were set up to take advantage of these investments having to lay off employees because of the freeze.

Mr. O'Connor, could you talk about the negative impacts of this freeze in terms of the direct impacts to Americans?

Mr. O'Connor. Yeah. Thank you for the question.

It is directly impacting Americans, and it is directly impacting American companies.

I think, as folks have noted in the course of previous questions, a number of efficiency rebates, weatherization programs, and there are a number of programs that directly benefit Americans by helping them save on their electricity and other costs.

We are also seeing the impact to American companies now, and that is going to have a flow-down effect to American consumers. If we don't bring new generation online, if we put pauses on hydrogen hubs, which I know -- I think Ms. Fletcher has one in her district -- if we put pauses on other sources of Federal funding, then there are going to be fewer jobs at these projects, fewer carbon capture projects, fewer SAF projects, and people are going to feel it directly in their pocketbooks.

Mr. Menendez. I appreciate that.

You mentioned in your testimony that you represent energy developers, the ones actually going out and building the infrastructure that we rely on. But I am worried about the message that has been sent over the last week.

If energy developers are hearing that they can't trust a contract with the Federal Government for a Federal obligation, will that make them more or less likely to invest in the United States?

Mr. O'Connor. Yeah. Less likely.

Mr. Menendez. Thank you.

And will that drive prices up or down for consumers?

Mr. O'Connor. It will drive prices up.

Mr. Menendez. Thank you.

Throughout his first few weeks in office, President Trump has issued multiple executive orders to establish the United States as the global leader in energy dominance. These executive orders largely focus on fossil fuels, while gutting key programs that invest in renewable energy, such as wind and solar.

Mr. O'Connor, if we truly want to seek energy dominance, wouldn't we want an all-of-the-above strategy that would require investments in clean and renewable energy.

Mr. O'Connor. Yes.

Mr. Menendez. Thank you.

And as we move forward, should energy dominance come at the expense of ongoing investments in environmental justice?

Mr. O'Connor. No.

Mr. Menendez. Thank you.

Because I am concerned that certain communities, like the ones that I represent in Elizabeth and the Ironbound of Newark, which have suffered the environmental injustice that has existed for far too long, are no longer part of the equation as we think about how we move forward.

I want to ensure that their interests are continuously of consideration and in mind as we move forward.

Switching gears slightly.

Just this week, the New Jersey Board of Public Utilities announced they will not be awarding a bid on new offshore wind development, citing uncertainty in Federal actions as part of their reasoning.

Now the timeline for offshore wind projects in New Jersey is uncertain due to the President's executive order that halted the issuance of approvals, permits, and loans for onshore and offshore wind projects.

Mr. O'Connor, how can uncertainty during administration changes, like the one we are seeing right now, impact our ability to plan long-term for energy projects?

Mr. O'Connor. Yeah. I think one consistent theme you have heard from the witnesses here is that large-scale energy infrastructure projects are time-intensive, they are resource-intensive, and you need to have some element of regulatory certainty. It certainty doesn't help when you have an administration come in and pull the rug out from under companies.

And so I think, with respect to the offshore wind industry in particular, this is an industry that has invested over $6 billion at this point in manufacturing facilities in the United States to make cables, foundations, and other components.

They have invested more than $2 billion in shipyards, including in Florida, Louisiana, Michigan, Mississippi, Pennsylvania, Texas, and Wisconsin, and created 24 new U.S. offshore wind vessels.

So I think we are seeing the flow -- there are both the direct impacts, because of pausing these offshore projects, but there are also going to be flow-down impacts to a lot of communities, because their shipyards and those manufacturing facilities are relying on this industry, many of whom, frankly, are in the oil and gas industry and making investments in offshore.

Mr. Menendez. And those investments go directly into our communities. They employ our constituents. Is that correct?

Mr. O'Connor. Correct.

Mr. Menendez. So in the last 2 seconds, what long-term impacts could that have on our ability to be a global leader in energy?

Mr. O'Connor. Yeah. It is going to have a deleterious impact.

Mr. Menendez. Thank you all for your testimony.

Yield back.

Mr. Latta. The gentleman's time has expired.

And the chair now recognizes the gentleman from Colorado's Eighth District for 5 minutes for questions.

Mr. Evans. Thank you, Mr. Chairman.

Thank you, Ranking Member.

And thank you to the witnesses for coming today.

Mr. Arnold, as you know, there has been a lot of talk in our home State of Colorado around mandatory electrification. In fact, just last month, the Colorado Public Utilities Commission approved the Black Hills plan, which implements first in the Nation electrification mandates.

Now, you and I both know that 80 percent of Coloradans support policies that preserve voluntary access to their choice of energy, all-of-the-above energy policies, including natural gas.

So to get a clearer picture of the impact of mandatory electrification, just a couple quick questions for you.

A recent study from Coloradans for Energy Access found that these electrification mandates could mean that the average electric bill for the average Coloradan goes to $800 a month.

Would your brothers and sisters in Local 208 be able to maintain their current standard of living if utility bills were that high?

Mr. Arnold. Thank you for the question.

The quick answer is, no, they wouldn't be able to afford those types of bills.

Mr. Evans. And then can you talk a little bit about the impact that mandatory electrification would have on the ability of your brothers and sisters in Local 208 to get good-paying jobs or to welcome new members in through your very robust apprenticeship program?

Mr. Arnold. So it is certainly going to have a tremendous negative effect. We have a section of our membership that does nothing but gas distribution work every day, all day, and to lose those opportunities and those paychecks would be severely negative effects on those brothers and sisters.

Mr. Evans. And then finally, in your experience as a pipefitter and a union

member, do you find that policies like mandatory electrification benefit everyone, or do they favor high-income earners who get the bulk of the benefit over middle class folks?

Mr. Arnold. Thank you for the question.

Certainly we always take a look at it from the jobs piece because that is our livelihood and how we support our families.

But as you noted, we are all consumers as well. And when we look at those programs -- and the discussions in Colorado, I think, have lacked the equity piece -- when you provide support to folks, typically it is going to be the wealthier Coloradans that get to take advantage of those programs.

And at the same time, that means that we are asking poorer Coloradans to support the financial requirements of the existing systems that are still badly needed and utilized when it comes to things like gas distribution infrastructure.

Mr. Evans. Thank you.

Ms. Eversole, moving to you.

I represent much of the Denver-Julesburg Basin in Colorado, which is one of the most prolific energy-producing regions in the country.

Unfortunately, State and Federal regulations have caused countless jobs to leave my district in favor of other parts of the country that are more welcoming to this critical industry.

One of the primary reasons I ran for Congress was to protect the energy-heavy livelihoods of the men and women who call Colorado's Eighth District home.

Now, we keep hearing that the U.S. is producing record amounts of energy. But it is not enough. We just heard commentary about what we are importing from Canada.

Specific to my area, United Power, one of my local electric utilities, is projecting that they are going to need triple the amount of power in 10 years that they have now,

and that is after doubling it in the last 10 years. And so that means relying on all-of-the-above energy policies, including natural gas.

And so the question to you is, what can we do as Federal policymakers to create an environment that is more hospitable to domestic energy development, particularly around oil and gas, and particularly in difficult States like Colorado?

Ms. Eversole. Congressman, thank you very much for your question.

One thing that we haven't talked a lot about today is about 25 percent of exploration and production for oil and gas takes place on Federal lands and in Federal waters.

And the last administration, unfortunately, last year alone was the first year since 1966 that there wasn't a lease sale in Federal waters. And it really -- it just doesn't have to be that way.

We need to have access to our raw materials, but we can do it in a way that is responsible, because the American consumer is the one who benefits through affordable, reliable, and cleaner energy.

Mr. Evans. Thank you.

And then something that is specific to Colorado but I think replicated around the country. In southern Colorado we have this thing called coal bed methane seeps. The vapor pressure underground literally seeps raw methane into the atmosphere.

Is there anything that Congress can do to better incentivize methane practices while boosting our domestic energy production?

Ms. Eversole. Absolutely. Our industry is focused on ensuring that not only does methane stay in the pipes but that we are able to detect it.

And so we look forward to working together with you and other members of this committee to ensure that we are able to remove as much methane as possible from the

atmosphere.

Mr. Evans. And when you are able to harness that methane from the methane seeps, does that reduce the methane that seeps into the atmosphere naturally?

Ms. Eversole. Indeed it does.

Mr. Evans. Thank you. Yield back.

RPTR KERR

EDTR SECKMAN

[1:14 p.m.]

Mr. Latta. The gentleman yields back the balance of his time.

And the chair now recognizes the gentleman from Texas' 12th District for 5 minutes for questions.

Mr. Goldman. Thank you, Mr. Chairman, very much.

Thank you, panelists, for being here.

Ms. Eversole, you talked about permitting. In four years of being the Texas house chair of energy, I never heard of that being a problem in Texas. Thank you, Railroad Commission of Texas. What can we do better federally to help with the permitting process?

Ms. Eversole. I would commend the API five-point policy roadmap, which articulates in great detail some of the specific changes to permitting reform, but, in particular, focusing on just stopping the weaponization of the Clean Water Act or of NEPA, for example. And we have to stop using the court as a way to stop these energy projects.

We have got to get shovels in the ground. It helps American workers. And this, unfortunately, isn't unique just to oil and gas. We have heard it across the entire energy spectrum. At the end of the day, we need more energy, not less, and I think we ought to build it here in the United States of America.

Mr. Goldman. Thank you.

And I will pivot right to Mr. Arnold. Let's talk about jobs. I know if an 18-year-old graduates high school and moves to Mr. Pfluger's district and gets a job in the oil fields, what that salary pays.

What do they pay in Colorado? If you are an 18-year-old, you graduate high school, you move out to where your world is, what is the starting salary job? And where can they be in 5 to 10 years.

Mr. Arnold. Thank you for the question.

If you grow up in our part of the country, you are going to start as a first year apprentice making $23 an hour, plus health benefits and access to free career training. At the end of that 5-year apprenticeship program, right now, currently, a journeyman or woman pipefitter is going to maybe 47.50 an hour, plus health and retirement benefits on top of that, which means spouses, dependents; nothing is coming out of the paycheck to provide those things.

Typically, we are going to be somewhere around in the 90th percentile for hourly wage earners. So it is truly a path to the middle class.

Mr. Goldman. Yes. Thank you. And beyond. I mean, in west Texas, 5 to 10 years, you can be making well over six figures. It certainly pays to be in the industry; there is no question about it, especially in Texas.

Mr. O'Connor, I am not bashing any of these worlds, but you talked a number of times on several things. I just want to ask, solar panels, are those 100 percent dependable?

Mr. O'Connor. Do you mean, do they have 100 percent capacity factor?

Mr. Goldman. No. Are they 100 percent? Do they work all the time?

Mr. O'Connor. Like almost everything in the world, no, they do not work all the time.

Mr. Goldman. Okay.

Wind turbines, do they work 100 percent of the time?

Mr. O'Connor. Same answer. They do not work 100 percent of the time.

Mr. Goldman. Okay.

And, when natural gas flows, are we 100 percent dependent on that?

Mr. O'Connor. No. Natural gas power plants have outages as well.

Mr. Goldman. The power plants have outages but not --

Mr. O'Connor. And there are freeze offs at the well head; there are pipeline OFO orders. So the answer is no for probably every technology.

Mr. Goldman. Okay. And what about nuclear energy?

Mr. O'Connor. Nuclear has a very high capacity factor, but as we saw in France over the last few years, the answer is also no.

Mr. Goldman. Okay.

But to kind of dispute what some people have said today, if we had more pipelines, if we had more gas production, more oil production, would prices be lower or higher?

Mr. O'Connor. Yes, they would be lower.

Mr. Goldman. Thank you very much. I appreciate it.

Mr. Chairman, I yield back the rest of my time.

Mr. Latta. Thank you. The gentleman yields back the balance of his time.

The chair now recognizes the gentlelady from North Dakota for 5 minutes for questions.

Mrs. Fedorchak. Thank you, Mr. Chairman, and, to our esteemed guests today, thank you for your time and for your patience in being here for a long time without a break.

So my name is Julie Fedorchak. I am from the State of North Dakota, and I am very honored to be from a State that is home to nature's first energy storage system, 700 years of coal. It is the third largest producer of oil, has the lowest gas and electric

utility rates in the country, and also gets 30 percent of our utility usage from renewables.

For the last 12 years, I have been a utility regulator in my State, which means I oversaw the rates and service of five monopoly utility providers, permitted $15 billion worth of new pipelines, wind farms, gas-processing facilities, you name it. We installed it, $15 billion worth. So I am very familiar with permitting challenges.

And, also, I worked in the energy markets. The one thing that 12 years taught me is that this is all a heck of a lot more complicated than anybody sitting up here or down there realizes. And the people we ought to be listening to are the people running the electric grid. Those people are telling us we have a problem, a big problem.

Two-thirds of our country is at an elevated risk for not meeting power demand today. That doesn't mean like in 15 years, when we have electrification or when we have AI. That is today. We could be sitting here without lights on.

So we have to get real about this issue, and I have a couple of questions.

Mr. O'Connor, in your written testimony, you called the Inflation Reduction Act and the Infrastructure Investment and Jobs Act the, quote, bedrock of our country's energy dominance agenda. Based on what I just told you, I don't share that perspective.

You cite a study that estimates between 146 and 308 gigawatts of renewable capacity will be added to the grid by 2030 as a result of IRA tax credits.

The MISO transmission region, which I am intimately familiar with and serves most of my State, is expected to see a net 50 gigawatt increase in installed capacity by 2042 but a net 30 gigawatt decrease in accredited capacity.

In your work, are you focusing on accredited capacity or installed capacity? And what should we be focusing on?

Mr. O'Connor. First of all, thank you for the question. And, of course, I was

going to get a question like that from the former head of NARUC. So it is a pleasure to speak with you here today.

The reference study, which I think was from rhodium, I believe was just net capacity, not accredited. I didn't apply the LCC values and derive what percent of the capacity would be based on the LCC or anything like that.

Mrs. Fedorchak. Do you think people generally understand the difference when you talk about gigawatts of capacity coming online, whether it is installed or accredited and what the difference is?

Mr. O'Connor. I have never mentioned accredited capacity and had anybody, other than an energy industry professional, pay attention. So I would say no.

Mrs. Fedorchak. Is that part of the problem, do you think, in why we are facing the challenges today, that we are at risk in two-thirds of the country of not having enough accredited capacity to meet demand?

Mr. O'Connor. I don't. I think if the question is not specifically about distinctions between accredited and just capacity, I think people do understand that different generation resources have different attributes. I think there has been quite a bit of discussion here today about that and in general.

So I would say generally I think it is a concept people understand. I don't really think it forms the basis for concerns we might have in MISO or other regions.

Mrs. Fedorchak. The IRA was passed in August of 2022, and we have had cumulative additions of 20.7 gigawatts since then and cumulative retirements of 42.9 gigawatts. So this is a path that is not sustainable. The bar graphs for installed capacity versus accredited capacity are going in opposite directions, and we simply won't have enough power to meet demand if we don't fix that.

So thank you for your time here. There are 15 seconds if you want to answer.

Mr. O'Connor. Oh, sure. I was just going to note that, right, the IRA passed in 2022, and, obviously, it takes several years to develop a lot of projects. So I am not sure that we can look at the first 2 years after passage of the bill as reflective of long-term capital investments that take a fewer years to interconnect.

Thank you.

Mrs. Fedorchak. Thank you. I yield. Thanks, Mr. Chairman.

Mr. Latta. Thank you very much. The gentlelady yields back.

And the chair now recognizes the gentleman from New York's 23rd District for 5 minutes for questions.

Mr. Langworthy. Thank you, Mr. Chairman.

A lot has been said today about the need to take a whole-of-government approach to meet the rising demand of energy instead of arbitrarily picking winners and losers. Unfortunately, my State, New York, has gone in the opposite direction, imposing its version of the green new deal, the Climate Leadership and Community Protection Act, CLCPA, to shut down natural gas generation and use.

For years, my State has prohibited large-scale hydraulic fracturing despite sitting atop -- my district sits atop the Marcellus Shale, which is estimated to contain 214 trillion cubic feet of recoverable natural gas.

New York has further weaponized its regulatory apparatus to block much needed infrastructure projects like the northern access pipeline, which would have provided near 500 million cubic feet per day of Appalachian gas to the Northeast.

So, Mrs. Eversole, how can we utilize the President's executive orders to unleash energy in areas of the country, like the Northeast, that desperately need it? And how do we ensure that bad energy policies in one State like New York do not stand in the way of energy reliability for the rest of the country?

Ms. Eversole. Congressman, thank you very much for your question.

I think that the contrast in State energy policy, in particular, is really not as stark as it could be between what you see in Dr. Joyce's district versus across the border in New York. Pennsylvania enjoys the benefits of having a pro-energy State and a pro-energy environment. New York is the exact opposite.

What we could do is we could build pipelines into the State of New York, bringing that gas to the market. Energy prices, electricity in particular, are 42 percent higher than the national average in the State of New York. And it really doesn't make any sense.

In fact, it also is impacting the environment because we are having to get that energy from other sources that are higher emitting. And so we need to get back to our principles here, which is a diversified source of energy is better for American consumers.

And I would just continue to point out that America's oil and natural gas industry stand ready to be part of these solutions.

Mr. Langworthy. Well, thank you very much, Ms. Eversole.

And, Mr. Arnold, with several States like New York and localities like Denver attempting to ban natural gas use, what impact does this have on jobs in this sector? What trickle-down effect does this have on housing affordability and other issues that are front of mind for Americans right now?

Mr. Arnold. Thank you for the question.

The very simple answer is any time you take project opportunities off the table, then you lose the jobs that those projects provide.

In our local, 110 of our members do nothing but gas distribution work all day, every day. Whether that be distribution pipeline work or that be gas meter replacement, gas meter bump out, that is their job. And, if you remove the ability for

utilities to provide that gas, we lose all those jobs and all the economic benefit they provide.

Mr. Langworthy. Thank you.

And, finally, I would like to note recent reports I have been hearing about a data center project in upstate New York that appears to have been held up by my State's regulatory agencies. I would like to note that the environmental activists across the country have already begun scapegoating new energy-intensive technology, like AI, and artificial intelligence is standing in the way of their green new deal agenda.

So, Mr. McCown and Ms. Eversole, do the opponents have it wrong? Can we develop energy infrastructure and do so in a way that meets sustainability goals but also the needs of energy intensive industries like AI? And can we do it competitively if we have the right regulatory framework?

Mr. McCown. Absolutely, Mr. Langworthy. Thank you for the question.

Yes, they do have it wrong because we can walk and chew gum at the same time. We can reduce emissions while expanding our economic base and expanding the tax base, quite frankly.

You know, one of the frustrating parts is this is a direct assault on interstate commerce. There is a real question of whether or not, frankly, New York can prohibit interstate transportation of commodities to other States. It is, you know, it is the tail wagging the dog.

Mr. Langworthy. Thank you.

Any thoughts, Ms. Eversole?

Ms. Eversole. Look, I would argue that developing AI and other types of technologies in this country is a geopolitical and strategic advantage. We have seen the headlines. We have seen the market reaction of some of the announcements from the

Chinese.

America should own AI. America should lead. It creates jobs. And the American energy industry will be there to support the load growth required to meet that technology.

Mr. Langworthy. Thank you very much for all of your thoughtful testimony.

I look forward to working with my colleagues here on the Energy & Commerce Committee. You achieve these goals.

And I thank the witnesses for their time today.

And, with that, I yield back, Mr. Chairman.

Mr. Latta. The gentleman yields back the balance of his time.

The chair now recognizes the gentleman from South Carolina's Seventh District for 5 minutes for questions.

Mr. Fry. Thank you, Mr. Chairman.

And thank you for our witnesses for being here. We are at the end of a long day.

I think Dr. Joyce will wrap it up. So we are kind of the clean-up committee, Doc, but that is okay.

Ms. Eversole, in what ways did the Biden administration weaponize? You used the term "weaponization." In what ways did they weaponize our government against energy producers?

Ms. Eversole. You know, unfortunately, we saw in the last administration that there was an all-of-government approach to really favor certain forms of energy but disfavor others. And I think what we have all discussed today on a bipartisan basis is that what we really need is all of the above.

We have such increasing demand not only for -- from the technological growth, but the fact of the matter is, just in the next couple of decades, we are going to add 2

billion people to this planet.

I would also note that there are 750 million people in this world that live in energy poverty, and it doesn't have to be that way.

Mr. Fry. In the document you submitted, API's recommendations, they reference the Biden era NEPA rules. What were those, and how did they impact the industry?

Ms. Eversole. I think this is an example of where the congressional intent was really not followed through in the regulation, and I think we need to go back, and we need, as part of fundamental permitting reform, we really need to revise the NEPA statute so they can't be weaponized in the courts, but they, rather, are a check to ensure that these projects, regardless of the type of energy, meet high environmental standards.

But, at some point, when we get through that, they have got to be given the green light, and we have got to get shovels in the ground. It helps the 11 million men and women who work in and around this industry but also helps the American consumer.

Mr. Fry. Thank you.

Mr. McCown, the Biden administration paused LNG exports. They cancelled the Keystone XL pipeline. They cancelled thousands of acres of oil leases. Did actions like these harm our energy production?

Mr. McCown. They absolutely do. We have heard a lot above the uncertainty and temporary pauses and moratoriums that have been in effect for just a couple days. You know, when you get disruptors, you are going to get disruption. You are going to get chaos, and then it is going to level out pretty quickly.

That is very different from what we were talking about during the Biden administration, that the LNG export pause -- it was really a de facto ban. We all know that, right? The Keystone Pipeline was studied to death. It took twice as long as it

took America to win World War II, yet we couldn't figure out if it was in the national interest or not.

You know, let's be honest. If people are against pipelines, then fine they are against pipelines. But, when you talk about using levers of government for politics, I think we have good examples.

Mr. Fry. That is a prime example of that.

Now, similarly, President Trump in his early days did an executive order that streamlined the Federal procedures for permitting and construction of interstate energy transportation. Did that help? Will that help and boost energy production in this country?

Mr. McCown. Well, it can help with the caveat being that President George W. Bush put in an executive order to facilitate the cross-border construction of infrastructure facilities, and that was what was used to hold up the Keystone Pipeline, instead of what it was intended to do, which was to streamline and accelerate the process.

Mr. Fry. Thank you.

Mr. Arnold, I will go to you. You, in your testimony, said that the process -- and I will paraphrase briefly for time -- coal-fired plants, the permitting takes months while, in the United States, it takes several years. However, it is clear that we must move much faster on permitting and reduce the ability of fringe groups to leverage seemingly endless choke points to punish companies for undertaking projects.

Have you, sir, seen this in Colorado in your industry?

Mr. Arnold. Thank you for the question.

Yes, we have seen projects, unfortunately, you know, run into a lot of uncertainty, and typically, when that has happened, you know, the chances of being realized and our

ability to actually have pipefitters go onsite --

Mr. Fry. You are not actually working, right? I mean, that is kind of the challenge at least in your industry is that, when these challenges occur, you are not actually working. Your guys, men and women, are not working.

Mr. McCown, briefly to you. Who are these people that gum up, and who funds these individuals that gum up the permitting process?

Mr. McCown. Well, you know, we have a couple different truths in our country. One is, if you don't like a particular kind of energy product and you can't keep it in the ground, right -- keep it in the ground was the modality for many years -- then you move to the infrastructure, and you try to attack the infrastructure during the North Dakota access.

Speaking of North Dakota, we saw people from all over the country showing up there, flying in, using other resources. I am not exactly sure who is funding this.

Mr. Fry. But it is usually not the aggrieved party, at least on the paper of the permit challenge, right?

Mr. McCown. It is not.

Mr. Fry. Somebody else is funding this. Is that correct.

Mr. McCown. It is not the local opponents. It is much larger.

Mr. Fry. All right.

And, when we talk about -- well, I see my time is out. And I will probably submit questions to you on how we go about specific actions on reforming the permitting process.

But thank you, guys.

With that, Mr. Chairman, I yield back.

Mr. Latta. Thank you very much. The gentleman's time has expired and yields

back.

The chair now recognizes the vice chair of the full committee, the gentleman from Pennsylvania, for 5 minutes for questions.

Mr. Joyce. Thank you, Chairman Latta.

The title of this hearing "Powering America's Future, Unleashing American Energy" could not be more appropriate for the first hearing of the Energy Subcommittee. We are now living in the new golden age of America where American production can finally reach the possibilities that we have so often discussed in this committee.

With this growth in production and by unlocking the energy sources that are under the feet of my constituents, we can provide affordable energy to Americans and cut the unbearable inflation that American families continue to endure. We can continue to have a large and robust chemical industry so that we have products that we need in the 21st century.

We can expand well-paying, highly skilled jobs in the energy sector so that Americans have great economic opportunity. We can ensure that our country has the power to prevail in the emerging competition in artificial intelligence.

And, finally, we can become not just energy independent but energy dominant on the global stage by providing reliable and cleaner energy to our allies and stifle America's enemies under President Trump's strong leadership.

We talk about unleashing American energy. We have to take an overview. This includes, yes, drill, baby, drill; and it also includes build, baby, build. We have to have the infrastructure to transport and to refine the energy that is produced right here in America and get that energy to market.

Ms. Eversole, my constituents are facing an effort to limit their choice of vehicles. California has tried to abuse its waiver process in the Clean Air Act to institute a ban on

internal combustion engines so that 40 percent of Americans will ultimately be affected by their choice in the automobile market.

Why is it that the California ACC2 waiver issue is a problem for all of America?

Ms. Eversole. This is a huge problem. Not only does what California chooses and how it impacts consumers in California, but there is also more than a dozen States that follow the lead of California. And this is bad for American consumers.

I am not sure why the State of California gets to be the de facto regulatory body for so many States in this country. Those citizens didn't get to vote for the elected individuals in the State of California, and what we saw in the last election was a full and complete rejection of these heavy-handed mandates.

The American consumer should be able to choose. We support free markets in this country, and this should not be an exception to that rule.

Mr. Joyce. So how significant is it, Ms. Eversole, that action by the EPA constitutes a rule?

In the Biden administration's EPA and the GAO, they have attempted to declare that the EPA's granting of a waiver to be a dictatorial order to prevent the use of the Congressional Review Act. In this specific situation, do you agree that the Biden administration should have submitted to the action to Congress and that it is here in Congress and in Congress alone that the power to decide whether the EPA action is a rule should be subject to resolution or of disapproval?

Ms. Eversole. Absolutely. This is certainly the jurisdiction of the Congress, and the courts are currently disputing the efficacy of the rule under the prior administration.

We do appreciate, however, President Trump's executive order on day one to roll back those so-called EV mandates.

Mr. Joyce. And I agree. I look forward to working with our new EPA

Administrator Lee Zeldin to overturn this waiver.

Mr. McCown, if the Commonwealth of Pennsylvania were a country, we would have one of the largest proven natural gas reserves in the entire world. Yet we run into issues getting this energy to market. The lack of pipeline construction in the Northeast and the lack of significant LNG export facilities restrict natural gas production.

How would building the proper infrastructure unleash the power of Pennsylvania, unleash the energy sources that are under the feet of my constituents?

Mr. McCown. Yes, absolutely. I mean, you know, energy is that critical component to our country, to the economy. Next to raw materials and the cost of labor, it is the winner or loser when it comes to creating an economy, to creating industry. We need Pennsylvania's gas. We need it throughout the country, and it needs to be made available for export.

That requires additional infrastructure. It requires pipelines. And, as I mentioned earlier, we have some States that want to thwart, prohibit, stop, halt the lawful interstate transportation of commodities. In this case, natural gas, and that needs to be stopped.

Mr. Joyce. Thank you for your comments.

Mr. Chairman, again, thank you for allowing me to waive on. And I yield the balance of my time.

Mr. Latta. The gentleman's time has expired.

And the chair, seeing no other members wishing to ask questions, on behalf of all the members of the subcommittee, we want to thank all of our witnesses for appearing today.

Members may have additional written questions for you all, and members are advised they have 10 business days to submit additional questions for the record. And I

ask that the witnesses submit their responses within 10 business days upon receipt of the questions.

I ask unanimous consent to insert into the record the documents included on the staff hearing documents list.

Without objection, that will be the order.

[The information follows:]

******** COMMITTEE INSERT ********

Mr. Latta. And, without objection, this subcommittee is adjourned.

[Whereupon, at 1:39 p.m., the subcommittee was adjourned.]