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Subcommittee on Environment and Climate Change Hearing on "Lessons from Across the Nation: State and Local Action to Combat Climate Change" April 2, 2019

<u>Governor Jay Inslee</u> <u>The State of Washington</u>

The Honorable Cathy McMorris Rodgers (R-WA)

1. Do you support removal of the Snake River Dams? How do you justify this decision despite movement in the Washington state legislature to transition to 100% clean, renewable energy by 2045?

RESPONSE: As I testified last month, what I support is what we're doing in Washington state, which is to have a neutral process to evaluate all the risks and benefits of the potential of taking this action, and to provide an opportunity for all Washingtonians' voices to be heard. There are both positive and negative consequences and I support a comprehensive review process that allows all perspectives to be considered as we work to comply with the federal court order.

2. Hydropower is one of the cleanest and most renewable energy sources currently available. Yet, you do not list it, or nuclear power, as part of your solution to climate change. Why do you argue that hydro and nuclear power should not be included as part of a clean energy solution? Do you acknowledge that these sources of power are clean and carbon neutral? How do you plan on accommodating Washington state ratepayers who will see an increase in their energy bills if hydropower is eliminated as a power supply?

RESPONSE: I have been clear that the urgency and scale of defeating the climate crisis means we'll need a wide variety of clean energy sources to decarbonize our economy. That includes hydropower, and in my written testimony, I was proud to share with the committee that Washington "has the nation's largest supply of cheap hydropower." Over many years I have been clear that hydropower has been an important carbon-free resource for us. As I also testified, I support research and development (R&D) into nuclear to determine whether the technology can be deployed in a way that is safe and cost-effective, and can earn public support. More to the point, the 100 percent clean electricity bill I just signed into law, ensuring Washington ratepayers will enjoy carbon-free energy, acknowledges both hydropower and nuclear as eligible resources.

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3. How do you answer those who argue that removal of the Snake River dams will negatively impact the agricultural sector in Eastern Washington? Do you agree that removal of the dams, which play a vital role in the transportation of agricultural products from Eastern Washington to port, will require the use of more emissions heavy trucks to carry those agricultural products across our state? How do you answer the farmers, ranchers, and manufacturers of Eastern Washington who fear that their livelihoods and culture will be irreversibly harmed if the Snake River dams are removed?

RESPONSE: As I testified last month, the impact of this potential action would depend on whether we identify feasible alternatives for the transportation of agricultural products, and that is one of the things that will be evaluated. There may be potential alternatives, and assessing those alternatives is properly handled in the context of a neutral, scientifically credible, fact-based process. And again, I support an open and transparent process where all Washingtonians have the opportunity to share their perspectives and be heard.

The Honorable John Shimkus (R-IL)

- 1. The expected emissions growth from developing countries alone would offset a complete decarbonization of the U.S. economy by mid-century. This suggests that help the U.S. can provide to these nations will do more for addressing global emissions than anything we do domestically.
 - a. What role do you see for the United States to meet energy needs of these developing nations?

RESPONSE: The U.S. is the world's second largest emitter of carbon pollution, and the largest historical emitter, which means we have a moral responsibility to be among the first to decarbonize our economy and reach net-zero emissions by mid-century. We can and must do this in tandem with helping other nations do the same — it is a false choice to suggest we cannot decarbonize our economy while leading the world in building a clean energy economy. Climate change is a global problem that requires action by all.

To start, it's imperative that we keep the U.S. in the Paris Agreement and reassert American leadership on the global stage. We cannot hope to inspire global action without showing the world our commitment to defeating climate change and demonstrating the economic growth that comes with clean energy innovation and jobs. Additionally, we should work closely with other countries, including developing nations, to help them develop and implement plans to significantly reduce their greenhouse gas emissions. Such support will build goodwill, open up markets for the green economy, and most importantly, help reduce greenhouse gas and conventional pollution. The U.S. should make good on its commitment to the Green Climate Fund, and work bilaterally and multilaterally to help other countries transition to clean energy economies.

2. What would be necessary to ensure developing nations purchase our technology?

RESPONSE: First, ensure the market conditions that have made the U.S. the source of clean energy innovation that is has been. That means re-committing to funding **R&D** at the scale that only the federal government can achieve, and it means continuing the policies that have driven down the costs of wind, solar, batteries and other components of the clean energy system, so that U.S. companies building clean energy technology can compete globally. We can lead the world in clean energy innovation over the coming decades, if we provide ambitious goals and the policies to support those goals. There is enormous appetite for such technology, and through re-engagement in the Paris Agreement and other avenues for climate and clean energy discussions, the U.S. can work to ensure that other countries remain committed to these goals and are building clean energy economies of their own.

a. What role do you see for nuclear power technology in these emerging markets?

RESPONSE: Every country will have its own set of plans for decarbonization. A number of developing countries are embarking on development of new nuclear resources, including India. Others are focusing on other resources.

b. China and Russia, among others are trying to sell reactors in other nations. Do you see U.S. promotion of its nuclear technology as important to gaining a strategic foothold in these markets?

RESPONSE: Exports of U.S. energy technology is important to both our economy and our national security. As I testified, I support federal investments in nuclear R&D, which I believe is an important step to promoting that technology abroad.

3. What can the U.S. do to supplant China-built coal power technologies with its own, cleaner fossil, nuclear, and renewable technologies?

RESPONSE: If we invest in building a clean energy economy at home, and reengage with the global community in building a clean energy economy around the world, we will have broad markets for our products. America's diplomatic leverage will be crucial over time to ensure countries remain committed to low-carbon development. 4. There are Intellectual Property and other challenges to our relationships with China and other nations. What would you suggest can be done to address treatment of IP to ensure U.S. exports of technology are not undermined?

RESPONSE: There are certainly issues with China's heavily subsidized market and its failure to protect intellectual property. However, the White House's unilateral, "go it alone" approach to confronting these challenges has serious shortcomings. Instead, I believe the U.S. should be working together with allies and partners in the global trading community who have similar concerns to increase our collective leverage on China, and hold them accountable for unfair practices.

- 5. We entered into the hearing record a letter from Mayor William Wescott of the City of Rock Falls, Illinois. The city owns and operates its own electrical utility, and participates in the Illinois Municipal Electric Agency, a collection of non-profit public power municipalities within the state. Mayor Westcott outlines the clean energy investments his city has made but he also talks about the critical investments in baseload power in state-of-the art coal fired generation facilities. (the 1.6 GW Prairie State Energy Campus). He warns that if federal or state policies that force premature closure of the coal-fired units, his city would still have to purchase energy but would also be burdened to make payments on the closed facilities.
 - a. Should policies be designed to ensure cities and ratepayers are not burdened with the stranded costs? What is your solution?

RESPONSE: Regulators need to balance legitimate ratepayer and lender concerns that arise as the market moves toward clean energy sources. As market demand for clean energy grows, the costs of continuing to operate fossil fuel facilities — in terms of achieving air quality standards and relative to alternative energy sources, efficiency and demand-side solutions — will become prohibitive. In Washington state we foresaw this future and how it would affect our largest and last remaining coal generated facility in rural Centralia Washington. Working together with community leaders, labor and the company, we negotiated a fair schedule for early shutdown. The agreement included a timeline that allowed workers to transition and a multi-million dollar investment by the company in training and redevelopment to help the community and workers adjust. That's what just transition looks like. It's solvable and, in the best cases, a classic win-win.