

## Mr. Tonko's Opening

The Subcommittee on Environment and Climate Change will now come to order. I recognize myself for five minutes for the purposes of an opening statement.

For the past several months, the Committee has held a series hearings and stakeholder meetings examining how our nation can achieve net-zero greenhouse gas emissions by mid-century.

Our past hearings have focused on sector-specific issues and solutions. We have examined the industrial, electricity, transportation, and building sectors.

Today, we will turn our attention to economy-wide solutions, a category of policies that can result in emissions reductions from across multiple sectors.

We know to achieve ambitious climate targets, innovations are needed in technology, policy, and finance to accelerate the clean energy transition and reduce the costs of economy-wide decarbonization.

These cross-cutting policies take many different forms.

It can include how the data revolution can promote greater efficiency through digitization.

It also covers how access to capital and financing opportunities can support deployment of new and needed technologies and infrastructure.

Low-emissions solutions, ranging from energy efficient appliances to electric buses, are commercially available and pay for themselves over time, but the upfront costs can be a barrier. Having financing options available can accelerate widespread adoption of these solutions.

Another potentially powerful policy is carbon pricing, which remains a proven, economically efficient method to put us on the lowest cost pathway to achieving major emissions reductions.

Today the costs of climate pollution are not borne by polluters. In my opinion, that is wrong.

Carbon pricing corrects a market failure and establishes a long-term price signal to allow each firm to determine how to best manage their assets.

While we know market-based policies, like carbon pricing, can be effective, the policy design really matters.

We have seen bad programs fail and good ones succeed, and the last decade of experiences from state and foreign governments provide many examples of best practices and lessons learned.

Today, millions of Americans are already living under a carbon price in California and the RGGI states. The sky has not fallen, and industry has not crumbled.

In fact, those residents are experiencing benefits in terms of public health and new revenue for investments in efficiency and infrastructure programs.

Pricing programs can, and should, be designed to minimize impacts to consumers, protect low-income households, and preserve the global competitiveness of U.S. energy-intensive, trade-exposed industries.

They should also provide flexibility for regulated entities to the extent that it does not undermine the integrity of the program or result in harmful, inequitable outcomes.

We know that multi-decade climate targets require policy certainty. Congressional action can create predictability and credibility, while sending the signals that will be necessary to impact long-term planning and investment decisions.

Despite some of the strengths of these types of policies, we must keep in mind there is no silver bullet to achieving deep decarbonization. We must embrace a broad portfolio of solutions and commit to reinvesting revenues from a pricing program to support complementary policies.

Complementary policies that promote R&D, infrastructure deployment, workforce development, community and worker programs, environmental justice and restoration, resilience, and energy efficiency must be part of our efforts.

These types of investments will ensure emissions reductions occur quicker, cheaper, and fairer with the benefits of a cleaner economy reaching every community.

We will also hear about another potential model, based on existing environmental statutes, that gives state governments greater responsibility and flexibility to direct their climate mitigation efforts and achieve nationally determined goals.

We know states and regions faces unique climate challenges.

I look forward to exploring how we might be able to translate the cooperative federalism model that has resulted in such significant air, water, and soil pollution reductions over the past four decades into the climate context.

I truly believe many of us share a common goal of putting forward cost-effective solutions that protect low-income consumers, promote U.S. competitiveness, and invest in energy innovation and infrastructure while ensuring meaningful emissions reductions.

Designing economy-wide solutions that fit with effective sector-specific policies will be key to assembling a meaningful, comprehensive climate package.

I thank our witnesses for joining us and providing input into this important discussion. I look forward to your testimony.