Statement of John Shimkus Subcommittee legislative hearing "Clearing the Air: Legislation to Promote Carbon Capture, Utilization and Storage"" February 6, 2020

As Prepared for Delivery

Carbon capture, utilization, and storage or CCUS has been an important feature of federal clean energy R&D and policy support for over 15 years.

This support has been driven by the plain fact that fossil energy—coal, oil, and natural gas—is and will remain central to the nation's economy for decades to come.

Even accounting for accelerating growth of renewables, fossil energy will continue to fuel the majority of our nation's electricity production, our transportation, and remain absolutely essential in a wide array of industrial processes well into the mid-century and beyond, as last week's Annual Energy Outlook shows.

And fossil energy will remain dominant throughout the developing world as those nations grow, prosper, and seek the tremendous benefits of affordable energy and industrial materials, and mobility, as we've discussed in previous hearings.

Given this fact, policies that seek to reduce greenhouse gas emissions in a way that is economically beneficial must build upon our existing energy supply, infrastructure and industrial systems. This is where CCUS can serve an essential role.

While there continue to be technical and economic challenges, we are fortunate that innovations and successful demonstrations in large scale industrial carbon capture, and advances in the demonstration of power-sector carbon capture have shown the viability of these technologies.

In addition, giving the economic value of carbon dioxide for enhanced oil recovery, there is growing demand for infrastructure in the energy sector—particularly pipeline infrastructure that can take CO2 that has been captured and sequester it or put it to beneficial use. Which brings us to the topic of today's hearing.

HR 1166 or the USE It Act, introduced by Mr. Peters and Mr. McKinley, takes useful steps to (a) accelerate development and deployment of CCUS projects – including especially direct air capture projects – and (b) to help ensure more efficient, timely permitting on the CO2 pipeline infrastructure.

The bill focuses on EPA's existing <u>non-regulatory</u> authority under the Clean Air Act to develop and support a ten-year program to award funds for direct air capture research and to develop the federal expertise on this front with a Direct Air Capture Technology Advisory Board.

The bill also directs EPA to provide—in what will be close collaboration with the Department of Energy—technical and additional financial support for carbon utilization technologies. And, consistent with the agency's existing authorities, it directs the agency to report on risks and benefits associated with carbon storage in deep saline formations.

The assistance, reporting, and federal collaboration that would grow out of this portion of the bill should help accelerate CCUS technologies. But it will be critical to enable the infrastructure for these technologies, which is why the permitting provisions of the bill are so important.

These provisions clarify current law by making explicit that CCUS projects—including direct air capture projects, which we will hear about today-and carbon dioxide pipelines can be considered "covered projects" under Title 41 of the FAST Act. These provisions enhance coordination of permitting decisions with the goal of more rapid build out of infrastructure.

Today we will hear from several witnesses who can speak to the climate policy, the innovation, and the infrastructure benefits of the USE It Act.

I'd like to welcome two witnesses in particular: Jason Begger of the Wyoming Infrastructure Authority offers the useful perspective of an energy rich state that is seeking to develop its energy resources and pipeline infrastructure, with new, cleaner technologies.

And Lee Anderson, of the Utility Workers Union of the American, can help remind us that, behind our energy and electricity resources are American workers and their families, who can be the first to bear the harsh economic impacts of expensive regulatory policies. We should keep them in mind, along with the American consumer as we develop climate policies.

Mr. Chairman, as you know, this is a thoughtful, widely supported bill. It is the kind of broad bi-partisan legislation that we know we can enact in law and make meaningful changes to our climate policies.

We have already missed opportunities to enact versions of the legislation. I am encouraged that the Majority wants to move this bill and will work with you to ensure that happens successfully.