

Rep. Diana DeGette
Statement for the Record for the hearing on
"Back in Action: Restoring Federal Leadership on Climate Change"
before the Environment and Climate Change Subcommittee
of the Energy and Commerce Committee
U.S. House of Representatives
February 9, 2021

Thank you, Mr. Chairman, for holding this important hearing. I am so excited and grateful that we are finally working with an administration prepared to address the climate crisis.

Climate change poses an existential threat to humanity. President Biden has correctly identified it as one of the great crises we must confront as a nation today.

Perhaps the single most important objective in reducing US greenhouse gas emissions to net zero by 2050, as the President has called for, is to eliminate the carbon emissions of the electricity sector. The electricity sector is currently our second greatest emitter. More than that, however, zero-emission electricity will be the key to eliminating climate footprint of the transportation sector, the manufacturing sector, and buildings, because we will do this largely by replacing the use of fossil fuels with zero-emission electricity.

In eliminating the carbon emissions of the electricity sector, we face the following challenges. First, every American deserves and demands affordable reliable electricity. Second, climate science tells us we need to reduce our greenhouse gas emissions to net-zero as soon as possible, to minimize the risk of catastrophic climate change. But third, we do not currently have the technology to generate all of our electricity affordably, reliably and with zero carbon emissions, and the pace of technology innovation is inherently unpredictable.

I have written a bill, the Clean Energy Innovation and Deployment Act, CEIDA, intended to meet these challenges. Among other things, CEIDA includes a Clean Energy Standard that will automatically adjust the required pace of technology deployment to match the pace of technology innovation. It will do so by using the fact that the market price of the tradable Zero-Emission Electricity Credits, or ZEECs, issued under the Standard will rise and fall depending on the availability of zero-emission technology.

If the price of these credits remain very low year-after-year from the beginning of the program -- indicating that zero-emission technology is readily-available and affordable -- the Standard will require 100% zero-emitting electricity as soon as 2035. On the other hand, if the pace of technology is about what we have seen in recent years and the technology to eliminate carbon emissions fully has not been developed by 2050, the price of ZEECs will spike, power companies will pay an Alternative Compliance Payment (ACP) instead of submitting ZEECs, and the revenue from the ACP will be used to offset the remaining emissions with carbon abatement outside the power sector.

I think of CEIDA, therefore, as having three speeds, depending on the pace of technology innovation.

Under the first speed, if new carbon-free technologies continue to come to market at the current pace, despite the additional investment in innovation provided in the bill, CEIDA will offset any carbon emissions in 2050, yielding a net-zero electricity sector. A lot of people talk about "net zero" -- CEIDA will actually deliver it.

Under the second speed, if the innovation provisions of CEIDA produce a technological breakthrough, we will advance the mandatory date by which we achieve zero-emission electricity, possibly as soon as 2035.

Finally, under the third speed, any power company ready to replace all emitting technologies with non-emitting technologies before 2035 will receive significant financial support from the federal government to do so.

Other provisions of CEIDA will provide R&D and other support for innovation, protect low-income rate-payers, and help displaced energy workers and people in frontline communities get access to jobs in the modern energy economy. I think the key to addressing this crisis will be to establish reduction targets as ambitious as the technology allows and provide every reasonable means of support to achieve them.

Thank you, Mr. Chairman, I look forward to working with you and Chairman Pallone to finally pass legislation that will deal with the climate crisis.