ONE HUNDRED SEVENTEENTH CONGRESS

## Congress of the United States

## House of Representatives COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6115 Majority (202) 225-2927 Minority (202) 225-3641

November 12, 2021

The Honorable Frank Pallone, Jr. Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Pallone:

We write to urge you to hold hearings to address the energy crisis and preparations for the upcoming winter. We have serious concerns about rapidly rising energy prices and the negative impact these price increases are having on the U.S. economy, inflation, and household bills.

As you know, energy prices have reached seven-year highs under President Biden's watch. The price of gasoline has nearly doubled since last year. High prices for other energy commodities, such as natural gas and propane, are inflicting serious harm to our economy, while supply-chain interruptions and shortages threaten to cause fuel outages in some regions of the country. Compared with last winter's heating costs, the Department of Energy (DOE) forecasts U.S. households will spend 54 percent more for propane, 43 percent more for heating oil, 30 percent more for natural gas, and 6 percent more for electric heating. U.S. households will spend even more if the weather is colder than expected.<sup>1</sup>

Millions of Americans depend on reliable and affordable supplies of fossil-based fuels for home heating, electricity, transportation, manufacturing, and agriculture. Energy price increases are also passed along in many goods and services, stretching family and household budgets, and exacerbating energy poverty.

<sup>&</sup>lt;sup>1</sup>U.S. Energy Information Administration. (October 13, 2021). *EIA forecasts higher U.S. heating bills this winter*. [Press release]. https://www.eia.gov/pressroom/releases/press488.php

In October, we wrote to DOE Secretary Granholm to assist with an assessment of the emerging impacts of higher energy prices. We asked the Secretary to describe what actions DOE is taking to address energy prices and supply shortages ahead of the upcoming winter, and what Federal regulations may be contributing to energy price increases. We are concerned that DOE is failing to meet its statutory obligations to protect America's energy security. Seemingly divorced from reality, proposals by the Administration and Democrats in Congress to raise energy prices further through additional regulations and a new natural gas tax are also of great concern.

While we understand that global supply chain disruptions and demand shocks related to the COVID-19 pandemic have influenced domestic prices, the Administration's anti-fossil fuel agenda is significantly contributing to this energy crisis. On his first day in office, President Biden revoked the permit for the Keystone XL pipeline and imposed a moratorium on fossil energy development on Federal lands and waters. In response to high energy prices, rather than encourage domestic production, the Administration has called on the Organization of the Petroleum Exporting Countries (OPEC) and Russia to increase oil supplies.

The Secretary of Energy has also made surprising statements about responding to the self-inflicted price spikes by releasing emergency oil reserves from the Strategic Petroleum Reserve or imposing a ban on oil exports. Recently, the Secretary made concerning statements regarding OPEC's influence on global markets and the ability of the U.S. to increase production and drive down prices.<sup>2</sup> Rather than accepting responsibility for unacceptably high energy prices, the Secretary appears to shift blame to OPEC, Russia, and U.S. oil producers for not increasing supplies quickly enough.<sup>3</sup>

This Committee must conduct oversight over DOE's handling of the energy crisis to understand better its actions and what steps Congress may need to take ahead of the upcoming winter. We should also investigate how regulations may be causing or contributing to energy price increases and whether the Administration's potential shutdown of another major U.S. pipeline — Enbridge's Line 5 pipeline — will result in adverse economic impacts and fuel shortages across the Midwest.<sup>4</sup>

The Administration's handling of the energy crisis deserves serious and diligent oversight, and the Committee should plan hearings as soon as possible. Thank you for your consideration.

 $<sup>^2</sup> Meet \ the \ Press. \ (October\ 31,\ 2021). \ \ https://m.youtube.com/watch?t=775\&v=B71cBRPgt9k\&feature=youtu.be$ 

<sup>&</sup>lt;sup>3</sup>CNN. (November 7, 2021.) *Granholm: I certainly hope gas prices won't reach \$4 per gallon. https://www.cnn.com/videos/politics/2021/11/07/sotu-granholm-gas.cnn* 

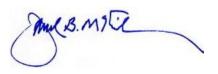
<sup>&</sup>lt;sup>4</sup> Politico. (November 4, 2021). *Crude awakening on Line 5. https://www.politico.com/newsletters/ottawa-playbook/2021/11/04/line-5-crude-awakening-and-the-merits-of-diet-poutine-494974* 

## Sincerely,



Cathy McMorris Rodgers Republican Leader Committee on Energy and Commerce Fred lepto.

Fred Upton Republican Leader Subcommittee on Energy



David B. McKinley Republican Leader Subcommittee on Environment and Climate Change Michael C. Burgess, M.D. Member of Congress

Kobut E. Latte



Brett Ather

Steve Scalise Member of Congress

Robert E. Latta Member of Congress

Brett Guthrie Member of Congress

Adam Kinzinger Member of Congress C. Muga- MA

H. Morgan Griffith Member of Congress Jam Biliti

Gus M. Bilirakis Member of Congress

Bill Johnson

Bill Johnson Member of Congress Billy Long Member of Congress

Lary Busher

Richard Hadson

Larry Bucshon, M.D. Member of Congress Markwayne Mullin Member of Congress

-Time Walberg

Richard Hudson Member of Congress Tim Walberg Member of Congress Ewl J Eddy Carta

Jeff Junion

Earl L. "Buddy" Carter Member of Congress

Jeff Duncan Member of Congress

Gary J. Palmer Member of Congress

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M ) Bence

Neal P. Dunn, M.D. Member of Congress

John Curtis Member of Congress Debbie Lesko Member of Congress

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Greg Pence Member of Congress Dan Crenshaw Member of Congress John Joyce

John Joyce, M.D. Member of Congress hely of

Kelly Armstrong Member of Congress