

**H.R. 5482, H.R. 6474, AND  
H.R. 6481**

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**LEGISLATIVE HEARING**

BEFORE THE

SUBCOMMITTEE ON ENERGY AND  
MINERAL RESOURCES

OF THE

COMMITTEE ON NATURAL RESOURCES  
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

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Tuesday, December 12, 2023

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**LEGISLATIVE HEARING ON H.R. 5482, TO PREVENT ENERGY POVERTY AND ENSURE THAT AT-RISK COMMUNITIES HAVE ACCESS TO AFFORDABLE ENERGY, “ENERGY POVERTY PREVENTION AND ACCOUNTABILITY ACT OF 2023”; H.R. 6474, TO AMEND THE ENERGY POLICY ACT OF 2005 TO EXPEDITE GEOTHERMAL EXPLORATION AND DEVELOPMENT IN PREVIOUSLY STUDIED OR DEVELOPED AREAS; AND H.R. 6481, TO AMEND THE MINERAL LEASING ACT TO REQUIRE THE SECRETARY OF THE INTERIOR TO REIMBURSE THE FEE FOR AN EXPRESSION OF INTEREST IF THE EXPRESSION OF INTEREST BECOMES INACTIVE, AND FOR OTHER PURPOSES**

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**Tuesday, December 12, 2023**

**U.S. House of Representatives**

**Subcommittee on Energy and Mineral Resources**

**Committee on Natural Resources**

**Washington, DC**

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The Subcommittee met, pursuant to notice, at 10:30 a.m. in Room 1334, Longworth House Office Building, Hon. Pete Stauber [Chairman of the Subcommittee] presiding.

Present: Representatives Stauber, Graves, Fulcher, Tiffany, Duarte; Ocasio-Cortez, Huffman, Kamlager-Dove, and Lee.

Also present: Representatives Hageman and Steel.

Mr. STAUBER. The Subcommittee on Energy and Mineral Resources will come to order.

Under Committee Rule 4(f), any oral opening statements at hearings are limited to the Chairman and the Ranking Minority Member.

And I ask unanimous consent that the gentlewoman from California, Mrs. Steel, and the gentlewoman from Wyoming, Ms. Hageman, be allowed to participate in today’s hearing.

Without objection, so ordered.

I now recognize myself for an opening statement.

**STATEMENT OF THE HON. PETE STAUBER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA**

Mr. STAUBER. Thank you all for being here today to discuss these important pieces of legislation.

Republicans on this Committee have continuously fought for increased domestic energy production this Congress. This started with H.R. 1, the Lower Energy Cost Act, which will accelerate all kinds of energy projects and enable an all-of-the-above energy strategy. We have pushed this agenda because it is beneficial to the American people and the American economy. It provides good-paying jobs for Americans, including, in many cases, union jobs. It lowers energy costs for American families. It is better for our environment, and it improves our national security, making the world safer.

While Republicans have been fighting for our all-of-the-above American energy agenda in Congress, this Administration has continued to carry out a radical, anti-traditional energy agenda that has caused energy prices to skyrocket. In the first year of the Biden administration, U.S. consumers spent over \$1.3 trillion on energy when adjusted for inflation, a 25 percent increase from 2020.

This trend worsened in 2022, as the average monthly electric bill for residential customers in the United States increased 13 percent from 2021 to 2022, rising from \$121 a month to over \$137 a month, the largest annual increase in average residential electricity spending since the data first was calculated beginning in 1984. Last winter, the number of households relying on government assistance to cover their energy costs rose by an estimated 1.3 million to more than 6 million, the largest year-over-year increase since 2009.

Additionally, when President Biden was elected in November 2020, the average gasoline price in the United States was roughly \$2.20 per gallon. Under President Biden's watch, gasoline prices reached a record high, breaking in 2022 with prices soaring to a nationwide average of over \$5 a gallon. Increasing energy costs are especially devastating for American families who are living paycheck to paycheck.

All three of the bills we have before us today will help increase domestic energy production and reduce energy costs for American families.

H.R. 5482, the Energy Poverty Prevention and Accountability Act, introduced by my friend and colleague from Wyoming, Ms. Hageman, would commission a government-wide study to review laws and regulations that impact energy access and affordability that make recommendations on how to reduce energy poverty in at-risk communities.

The bill would also require CBO to include estimates for future legislation that would impact energy prices for at-risk communities, and would force agencies to demonstrate actions to lock up lands or slow energy permitting will not increase energy poverty. I personally appreciate this provision, as this Administration withdrew 225,504 acres in my home state of Minnesota, putting off limits the largest copper nickel find in the world, a move that would certainly affect at-risk communities across the United States.

Lastly, the bill would require that all government regulations include an energy poverty statement on the first page of each rule-making statement of policy or guidance document detailing how the action will not result in energy poverty in at-risk communities. I am proud to join my colleague from Wyoming in co-sponsoring this legislation, which will ultimately hold this Administration accountable for their policies that are raising energy costs and burdening at-risk communities across our country.

H.R. 6474, introduced by my colleague and friend, Mrs. Steel from California, would expedite geothermal energy development by expediting the permitting process in areas with existing development and areas that have been recently studied under NEPA.

Lastly, H.R. 6481, introduced again by Ms. Hageman from Wyoming, is a common-sense bill that would simply ensure that submitters of Expressions of Interest, EOI, for onshore oil and gas lease sales are refunded if the BLM refuses to lease the acreage in their submitted EOI.

And I appreciate my colleagues' good work on these bills, and look forward to hearing testimony from our witnesses today.

With that, I will now yield to the Ranking Member Ocasio-Cortez.

**STATEMENT OF THE HON. ALEXANDRIA OCASIO-CORTEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK**

Ms. OCASIO-CORTEZ. I thank you, Chairman Stauber.

Today, we will discuss H.R. 5482, the "Energy Poverty Prevention and Accountability Act."

Energy insecurity is a problem in the United States. In a 2023 Census Bureau survey, more than one in four households in the United States said they had difficulty paying their energy bills. They have cut back on other essentials to pay for energy, or they have lived with unsafe temperatures to lower their bills. We see this in the Bronx all the time.

We, in Congress, should be taking energy poverty seriously. But H.R. 5482 is far from the answer to this. While sponsors say this bill will help low-income and over-burdened minority communities, which is one that I represent, everything in this bill is structured to help one constituency, and that is fossil fuel companies and executives.

H.R. 5482 would require very one-sided, so-called energy poverty studies to show the benefits of oil and gas production and slow down any Federal actions to transition away from fossil fuels. This bill takes a completely upside-down view of energy and security, tying fossil fuel production at one end of the supply chain to the energy prices we pay at the other end. It is a trickle-down assumption and approach. It basically says the more we produce fossil fuels, the more gas and oil that we extract, the lower energy prices Americans will have to pay.

But needless to say, this is not nearly the full picture, and it drastically over-simplifies the problem. It is not hard to disprove, either. If more fossil fuel production meant lower costs, why is it that today, while American oil and gas production is at a record high, home energy costs continue to go up?

For one, the oil and gas we produce does not stay in the United States. Our country is exporting more oil and gas than ever. Regulators, analysts, and utilities have repeatedly found that natural gas exports are driving up the cost for consumers, and that is because exports tie American gas prices to the volatile global market. Under the Trump administration, the Department of Energy commissioned a study on natural gas exports that concluded that exports are in the “public interest” because they would benefit Big Oil’s American shareholders. Gas exports are still being approved based on this widely discredited study.

And that leads me to my second point, which is that the money made from oil and gas production isn’t even going to everyday Americans’ pockets. It is lining the pockets of oil and gas executives. In the past year, Big Oil profits reached a record of \$200 billion. Our public resources are not being developed for the public good; they are being developed for private profit.

And when we also look at energy bills, we also need to consider the types of homes and appliances that people use. If you live in a mobile home with no insulation and decades-old appliances, that is also going to drive your energy bills up even higher, which already compounds on people who continue to be financially strained. You will have to pay more to heat or cool or cook than in a better-insulated apartment with energy efficient appliances.

So, as we are here discussing the very real problem of energy insecurity and costs, I want to make sure that we are here to discuss real solutions. Because if one was looking to actually lower one’s energy bills, one might look to cut private industry profits or to halt fossil fuel exports so that Americans can see the benefits of our energy production. One might set up a public trust so that profits from our energy production could be reinvested into our communities. But this bill does nothing to limit our fossil fuel exports, and it does nothing to redirect profits towards public good. Instead, it explicitly calls for studies that “encourage private energy sector investment on Federal public land and tribal land.”

If one was looking to actually address energy poverty, one might create programs that incentivize energy efficiency. But my colleagues across the aisle have repeatedly tried to cut the Inflation Reduction Act programs that help everyday Americans afford energy efficient appliances and other improvements.

Lastly, if one were also looking to address the issue of energy insecurity, one would also not ignore the climate crisis. From rising temperatures to intensifying disasters, the rapidly changing climate is directly driving up home energy bills, making our energy system less reliable and communities more vulnerable to disaster.

The fact is this bill does not address energy bills. Instead, my colleagues across the aisle are exploiting the language of poverty in order to enrich private oil and gas interests. If we actually want to reduce the energy burden on American families, we need to end our reliance on fossil fuels and our dedication to maximizing oil and gas profits, not double down on them. For that reason, I am encouraged to see H.R. 6474, a bill promoting geothermal energy development, on the docket today.

With that, I yield back.

Mr. STAUBER. Thank you very much. We will now begin with our first panel of Members, who will speak respectively on their legislation.

I now recognize Ms. Hageman from Wyoming's at-large Congressional District for her testimony.

**STATEMENT OF THE HON. HARRIET M. HAGEMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WYOMING**

Ms. HAGEMAN. Thank you, Mr. Chairman. I am very grateful for the opportunity to testify on two of my bills, the Energy Poverty Prevention and Accountability Act and my bill to amend the Mineral Leasing Act to make Expression of Interest fees, or EOIs, reimbursable.

In April of this year, I had the opportunity to question Secretary Haaland in a Full Committee hearing on the President's budget. I specifically asked her if she was familiar with the term "energy poverty," to which she replied that she was not. This was concerning to me, to say the least. But she finally did admit that it was self-explanatory, and I explained to her what it does mean, which is a situation where people have to choose between paying their heating bill, buying medicine, or buying food because of the high cost of energy.

What was even more concerning to me was that Ms. Haaland refused to say that this Administration views energy poverty as a bad thing. And considering the fact that every decision they have made has either caused or exacerbated energy poverty, I must say that I believe that this Administration is furthering energy poverty as an affirmative policy for the purpose of controlling human behavior and pursuing a radical climate agenda.

On Day 1 of his presidency, President Biden declared a war on fossil fuels, and has been responsible for promulgating rules that raise energy prices for Americans, starting with the cancellation of the Keystone Pipeline and expanding the use of the government-created social cost of carbon metric to artificially increase the regulatory costs of energy production of fossil fuels when performing their analyses.

My bill does not focus on an artificial manufactured narrative, but rather looks at the cold, hard facts and the impacts on the pocketbooks of the people in America's most vulnerable communities. Energy poverty, as defined in my bill, is the condition in which individuals do not have access to affordable and reliable energy to maintain economic security. Countless Americans are dealing with energy poverty today as a direct result of bad public policy originating from the executive branch and from Congress.

My bill requires a report on at-risk communities experiencing energy poverty and the barriers preventing at-risk communities from accessing affordable energy. It also instructs the CBO to identify if a proposed bill directs an agency to take actions that could affect access to affordable energy in any at-risk community.

It also directs the Department of the Interior to conduct a study on how its proposed rules and regulations impact energy poverty strictly as it relates to price in at-risk communities, and it allows entities sponsoring energy, mineral, or transmission projects on

Federal land to request a study from a lead agency on how a new lease or project on Federal land would impact job creation and energy prices.

The left has perpetuated a false narrative that energy producers are somehow causing poverty. They cite price gouging, but then they attempt to centralize the energy market by raising royalty rates and bonding fees in an effort to cripple competition. Actions like this demonstrate that they are not serious, and they do not practice what they preach.

Mr. Chairman, we should be encouraging development and self-reliance, not discouraging it, and the second bill I have today does just that.

I think we all agree that it is wrong to pay an entity for services not provided, but that is what is happening right now with the oil and gas Expression of Interest fees. Companies pay \$5 per acre every 3 years to express interest in an oil and gas lease. And as we all know, it has been the policy of this Administration to neglect or refuse to issue them. My bill would allow entities with inactive leases to get reimbursed, and to allow the term for which the EOI applies to be extended from 3 years to 5 years. This simply allows producers to get what they pay for, and to be reimbursed when leases are not issued.

In summary, both of these bills are important for every American that has watched their heating bills rise and who are paying more at the pump because of DC's bad policies. I urge my colleagues to support my efforts to allow for greater transparency when it comes to issuing policies that impact the paychecks and prosperity of all Americans, and to support future development.

I also request that the debate that we have today is based upon the facts and the language of the bill itself, rather than simply attempting to impugn our character because we are conservatives and believe that fossil fuels and energy production are a good thing for America, and have provided for the prosperity that we all enjoy, every single one of us sitting in this room.

With that, I yield back.

Mr. STAUBER. Thank you very much. I will now recognize Mrs. Steel from California's 45th Congressional District for her testimony.

**STATEMENT OF THE HON. MICHELLE STEEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mrs. STEEL. Thank you, Chairman Stauber, for inviting me today. You know what? I can talk about the gas price just a little bit before I start talking about my bill here.

In California, the average gas price is over \$6 per gallon. When gas prices go up, it really hurts middle- and lower-income families. In California itself, we have a lot of oil in the land. And in California, because of the toughest regulations, they have never given out even one permit approved since 1994. We have all these energies inside of the government, but we are not really working on what we have.

Having said that, I just want to say thank you, Chairman Stauber, for hosting this legislative hearing on H.R. 6474, my

legislation to expedite geothermal exploration and development. Geothermal power is the great renewable energy source.

My bill is very simple and straightforward. It would expedite geothermal development by amending the Energy Policy Act of 2005 to allow for a new categorical exclusion for geothermal under the National Environmental Policy Act of 1969. Especially, it would allow for the categorical exclusion for geothermal drilling in situations where drilling has occurred within the last 5 years, or drilling will occur within an area for which an approved environmental document that considered drilling was completed pursuant to NEPA within the last 5 years. This will allow for an expedited approval process for certain geothermal projects, and mirrors existing categorical exclusion under the NEPA.

This important legislation will help my home state of California and the United States to have more sustainable, clean, and reliable energy. Geothermal power can be an important tool to make the United States energy independent and achieve a cleaner energy future. It is extensively available, and can contribute significantly to meeting U.S. energy needs. California has a sizable geothermal reservoir. Too much regulation prevents producing the energy that we already have in this country. Congressional action can make the United States a strong producer and my home state a domestic leader in the production of geothermal electricity.

Geothermal energy will support local communities and will boost cities economically as production grows. It will create and maintain sustainable local jobs to strengthen congressional districts. It has a small footprint and near-zero carbon emissions. As I already mentioned, it is reliable and consistent, unlike other energy sources, and will support the already-existing energy grid. Most importantly, geothermal energy will insulate future market vulnerability and provide energy relief for decades.

I look forward to my colleagues and the witnesses making the case for categorical exclusion for geothermal energy, and expediting the permitting process without reducing environmental standards.

Thank you, Mr. Chairman.

Mr. STAUBER. Thank you very much. We will now move to introduce our second panel.

Let me remind the witnesses that under Committee Rules, they must limit their oral statements to 5 minutes, but their entire statement will appear in the hearing record.

To begin your testimony, please press the "talk" button on the microphone.

We use timing lights. When you begin, the light will turn green. When you have 1 minute remaining, the light will turn yellow. And at the end of the 5 minutes, the light will turn red, and I will ask you to please complete your statement.

I will also allow all witnesses to testify before Member questioning.

Our first witness is Dr. Bryant Jones. He is the Executive Director for Geothermal Rising, and is stationed in Boise, Idaho.

Dr. Jones, you are now recognized for 5 minutes.

**STATEMENT OF BRYANT JONES, EXECUTIVE DIRECTOR,  
GEOTHERMAL RISING, BOISE, IDAHO**

Dr. JONES. Hello and good morning, Representative Stauber, Representative Ocasio-Cortez, and members of the House Natural Resources Committee and Subcommittee on Energy and Mineral Resources. Thank you for the opportunity to testify at today's hearing and discuss the potential and opportunity for geothermal energy in our nation's energy mix.

My name is Bryant Jones, and I am the Executive Director of Geothermal Rising, the world's oldest geothermal association, serving as the main professional organization for the geothermal community in the United States. Our members harness the heat beneath the Earth's surface for direct-use geothermal heat pumps, and to generate 24/7 carbon-free electricity critical to achieving reliable, affordable, fully-decarbonized buildings, industries, and stable power grids. Geothermal Rising's membership includes project developers, service and equipment providers, research groups, environmental and climate NGOs, government agencies, and other stakeholders.

Inexhaustible geothermal energy offers a solution to some of the most pressing challenges such as energy reliability and emissions reductions. Frankly, it is an energy source we can't afford not to invest in.

Our work at Geothermal Rising centers on decreasing energy costs, increasing efficiencies, promoting a strong geothermal workforce, and contributing to a sustainable planet and an energy-independent nation. As we continue to advocate for the responsible development of geothermal resources and compatible reductions of regulatory red tape, Geothermal Rising acknowledges the importance of environmental assessments and compliance with the National Environmental Policy Act, or NEPA.

While new legislation creating categorical exclusions for geothermal activities would accelerate clean energy development, it must be approached with caution and responsibility. To ensure that efforts to streamlining permitting are responsible and effective, Geothermal Rising recommends that the Congress urge Federal agencies to issue categorical exclusions for activities with minimal environmental impact, based on long-standing data from past environmental assessments and environmental impact statements.

Geothermal energy is often referred to as the invisible energy resource. It has the lowest carbon footprint of all renewable energy technologies, and it has the smallest environmental footprint of all energy technologies. There is a clear need for a more streamlined and balanced review process that can efficiently address environmental and community concerns while advancing the development of geothermal energy.

Geothermal Rising supports the streamlining of NEPA reviews while maintaining scientific rigor and public participation. We support regulations that shorten review times for environmentally beneficial projects without significant adverse effects. We recognize that NEPA reviews, despite their necessity, can add significant costs, time, and litigation risk to projects. It is crucial that the process is refined to better accommodate the urgent development of

clean geothermal energy projects which currently often fall into categories requiring detailed and multiple NEPA reviews.

We advocate for a balanced approach that upholds environmental standards while enabling streamlined development of geothermal energy. This balance can be achieved through carefully-crafted categorical exclusions, pragmatic and tiered reviews, and other appropriate administrative efficiencies, while ensuring that any proposed action's environmental impact is thoroughly considered and transparently communicated.

Geothermal Rising supports H.R. 6474, sponsored by Representative Steel, as it accomplishes what I have just presented.

Furthermore, Geothermal Rising supports the release of guidance on permitting by the Department of the Interior, and suggests that the Congress encourage BLM to address industry concerns over geothermal leasing delays, requirements that geothermal permitting review workforce live in remote field offices, and the lack of geothermal technical knowledge in those BLM field offices.

We are excited to see policy momentum supporting geothermal development on Capitol Hill, and we look forward to working with all of those in the executive branch and Congress to provide a framework to responsibly increase pathways to establish streamlined permitting processes for this unique and vast energy resource, while also ensuring environmental responsibility.

The world is watching the United States for how it designs its portfolio in the energy transformation. Geothermal energy must be leveraged if we are to rapidly develop nationwide, robust power systems and a clean, sustainable fuel mix, all while creating jobs and bolstering innovative economic and industrial outputs.

Thank you again for this opportunity, and I am happy to answer any questions you may have to the best of my knowledge.

[The prepared statement of Dr. Jones follows:]

PREPARED STATEMENT OF DR. BRYANT JONES, EXECUTIVE DIRECTOR,  
GEOHERMAL RISING  
ON H.R. 6474

Good morning Representative Stauber, Representative Ocasio-Cortez, and Members of the House Natural Resources Committee Subcommittee on Energy and Mineral Resources, thank you for the opportunity to testify at today's hearing and discuss the potential and opportunity of geothermal energy in our nation's energy mix.

My name is Bryant Jones, and I am the Executive Director of Geothermal Rising, the world's oldest geothermal association, serving as the main professional and educational organization for the geothermal community in the United States. Our members harness the heat beneath the Earth's surface for direct use, geothermal heat pumps, and to generate 24/7 carbon-free electricity, critical to achieving reliable, affordable, fully decarbonized buildings, industries, and power grids. Geothermal Rising membership includes project developers, service and equipment providers, universities and research groups, government agencies, public utilities, and other stakeholders.

Geothermal Rising's (GR) mission is to "use the earth to save the earth" by tapping into the extraordinary potential of our geothermal resources. GR's policy work supports this mission by advancing a comprehensive agenda of technology agnostic federal and state-level policies, regulatory work, and general initiatives to accelerate the deployment of all forms of geothermal energy.

Inexhaustible geothermal energy offers a solution to some of our most pressing challenges such as energy reliability and emissions reductions. It is a resource that can generate 24/7 clean electricity, provide heating and cooling for homes and industries, and much more. Frankly, it is an energy source we can't afford *not* to invest in. Our work at Geothermal Rising centers on decreasing energy costs, increasing efficiency, promoting a strong geothermal workforce, and contributing to a sustainable planet and energy independent nation.

Currently, in the United States, geothermal power plants have an installed capacity of 3,692 MW, however, this represents only 0.4% of total U.S. utility-scale electricity generation and accounted for 1.9% of electricity generation from renewable sources,<sup>1</sup> underscoring the substantial opportunity we have to scale up geothermal energy as we enter this new generation of geothermal technologies and innovation.

The first geothermal power plant in the United States started up more than 60 years ago based on a now mature suite of technologies. Today's newer geothermal technologies leverage the expertise and experience of the North American oil and gas sector and are poised to unleash even more of the United States' geothermal potential. Other advantages of geothermal include the domestic co-production of critical minerals, existing supply chains, and high paying jobs that directly transfer from the conventional energy sector. Lastly, the United States is well poised to be the hub of technological development and deployment of geothermal energy that can be implemented at home and exported around the world. However, a critical hurdle stands in the way of realizing this potential—permitting.

As we continue to advocate for the responsible development of geothermal resources and compatible reductions of regulatory red tape, GR acknowledges the importance of environmental assessments and compliance with the National Environmental Policy Act (NEPA). While new legislation creating categorical exclusions for geothermal activities would accelerate clean energy development, it must be approached with caution and responsibility, ensuring adequate safeguards and transparency. To ensure that efforts to streamline permitting are responsible and effective, GR recommends that the Congress urge federal agencies to issue categorical exclusions for activities with minimal environmental impact based on long-standing data from past environmental assessments (EAs) and environmental impact statements (EISs).

GR supports the streamlining of NEPA reviews while maintaining scientific rigor and public participation. We support regulations that shorten review times for environmentally beneficial projects without significant adverse effects, emphasizing high-quality scientific analysis and considerations of climate change impacts and environmental justice. We recognize that NEPA reviews, despite their necessity, can add significant cost, time, and litigation risk to projects. It's crucial that the process is refined to better accommodate the urgent development of clean energy industries like geothermal, which often fall into categories requiring detailed NEPA review.

A recent example is that of the Dixie Meadows Geothermal Utilization Project in Nevada, in which Ormat faced undue lawsuits and delays over concerns about toad habitat. Ormat was seeking to complete the project by a specific deadline to avoid losing \$30 million due to the terms of a power purchase agreement for this 60-megawatt project. Another example is the Gerlach geothermal project, again in Nevada, which faced significant delays due to concerns over views. Given that geothermal is often referred to as the invisible energy resource, has the lowest carbon footprint of all renewable energy technologies, and has the smallest environmental footprint of all energy technologies, there is a clear need for a more streamlined and balanced review process that can efficiently address environmental and community concerns while advancing the development of renewable energy.

GR sees an opportunity for improvement in our 6–8 year permitting timeline for geothermal projects.<sup>2</sup> As noted in Young et al., 2015 published by the National Renewable Energy Lab, a NEPA review can be triggered up to 6 times in the project development process which is less than ideal for capital management. We advocate for a balanced approach that upholds environmental standards while enabling streamlined development of geothermal energy. This balance can be achieved through carefully crafted categorical exclusions, programmatic and tiered reviews, and other appropriate administrative efficiencies, while ensuring that any proposed action's environmental impact is thoroughly considered and transparently communicated.

Furthermore, GR supports the release of guidance on permitting by the Department of the Interior (DOI) and suggests that the Congress encourage BLM

<sup>1</sup> <https://www.eia.gov/energyexplained/electricity/electricity-in-the-us.php>

<sup>2</sup> Young et al., 2015

to address industry concerns over geothermal leasing delays, requirements that geothermal permitting review workforce live in remote field offices, and the lack of geothermal technical knowledge in BLM field offices.

In representing the geothermal community, GR strives to be a consensus organization, recognizing that our members may have diverse viewpoints on certain issues. Therefore, while we support the general direction of proposed regulations and legislative efforts to streamline permitting and the development of the geothermal industry, it's important to note that our members may have slightly deviating priorities and interests.

Again, while we advocate for permitting reform in a broad sense, we also emphasize the need for a balanced approach, namely, environmental responsibility and public participation. With the values of responsible resource development at the forefront, the United States can lead the way in clean, renewable geothermal energy while safeguarding our ecosystems and communities.

We are excited to see policy movement supporting geothermal development on Capitol Hill and look forward to working with all of those in our national agencies and Congress to provide a framework to responsibly increase pathways to establish streamlined permitting practices for this unique and vast energy resource, while also providing adequate safeguards and transparency.

The world is watching the United States for how it designs its portfolio in the energy transformation. Geothermal energy must be leveraged if we are to rapidly develop a nation-wide robust power system and a clean sustainable fuel mix, all while creating jobs and bolstering innovative economic and industrial outputs.

Thank you again for this opportunity, and I am happy to answer any questions you may have to the best of my knowledge.

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QUESTIONS SUBMITTED FOR THE RECORD TO DR. BRYANT JONES, EXECUTIVE  
DIRECTOR, GEOTHERMAL RISING

### Questions Submitted by Representative Dingell

*Question 1. Dr. Jones, Department of the Interior has a goal of licensing 25,000 MW of renewables on public lands by 2025. How could next-generation geothermal energy help DOI achieve these goals?*

Answer. Geothermal energy has several unique characteristics that set it apart as a clear “winner” to achieve DOI renewable energy goals.

- Unlike intermittent renewables, geothermal provides 24/7 baseload power, contributing to grid stability and reliability.
- Geothermal plants have a small footprint, allowing for significant power generation with minimal land disruption, making them ideal for public lands.
- Geothermal energy has the smallest environmental footprint of all energy technologies, including wind and solar, according to the National Renewable Energy Laboratory.
- Next-generation geothermal technologies can access deeper, hotter resources more efficiently, increasing the potential power output per project and the geological range of geothermal projects. I.e., next generation projects can be deployed virtually “anywhere” and not be constrained to where conventional hydrothermal geothermal resources are easily accessible.
- Geothermal energy’s low carbon footprint aligns with DOI’s sustainability goals, providing a clean energy source while preserving natural landscapes. Geothermal energy has the lowest life cycle greenhouse gas emissions of all renewable energy technologies, according to the National Renewable Energy Laboratory.

*Question 2. Dr. Jones, deploying a significant amount of new geothermal projects on federal land will take collaboration and innovation. Just this fall, leaders from several industries and agencies, including federal, state, and local governments, came together to celebrate the groundbreaking of the Fervo Energy Cape Modern Geothermal Exploration Project in Beaver County, Utah. Mr. Jones, could you please tell us more about how your members are working with public lands managers to ensure there is community engagement and smart siting for geothermal projects.*

Answer. The Fervo Energy Cape Modern Geothermal Exploration Project in Beaver County, Utah, is indeed an excellent example of the collaborative efforts

needed to deploy new geothermal projects on federal lands successfully—however, the permitting and tenure process was more arduous than necessary. It is a partnership between Google, Fervo, and Cyrq Energy, another geothermal developer with geothermal power plants and geothermal direct use systems in New Mexico, Utah, Nevada, and Oregon.

Other examples of geothermal developers working to enhance grid reliability within a geothermal facility footprint include Calpine’s development projects at The Geysers. The projects include a 25 MW North Geysers geothermal incremental development, two energy storage installations on repurposed geothermal sites totaling 38 MWs, and Calpine’s partnership with Greenfire Energy to test a closed-loop geothermal system in conjunction with a California Energy Commission grant. Calpine continues to explore new geothermal technologies that will enhance its geothermal output and efficiency at the Geysers. Yet another example is Eavor Technologies testing closed-loop geothermal drilling technologies at Cyrq Energy’s Lightning Dock power plant in New Mexico. Eavor successfully drilled and completed the deepest closed-loop geothermal well.

In general, our members have had to be extremely patient in their efforts to get boots on the ground and projects started, contributing to undue stress, cost, uncertainties, and added risks. Our members are passionate about geothermal and willing to take such risks because they care about the environment and are seeking to do their part to draw down the climate crisis. The geothermal community is not seeking to skirt environmental law, but advocating that environmental adherence processes can be streamlined significantly. To aid our national environmental goals and interests, it is critical that emission-reducing and environmentally low-impact clean energy projects are not unnecessarily (and ironically) stalled in the name of environmentalism.

Our members prioritize community engagement, ensuring local stakeholders are involved and informed throughout the project life cycle. This involves public meetings, transparent communication, and addressing local concerns and interests. Geothermal Rising members also focus on smart siting practices. This includes identifying locations with minimal environmental impact, high geothermal potential, and community support. Collaborations extend beyond local communities, involving state and federal agencies, to streamline permitting processes and align projects with broader energy and environmental goals. These approaches exemplify how geothermal projects can be developed responsibly and sustainably, benefiting both the energy grid and local communities.

*Question 3. Dr. Jones, what else can the Bureau of Land Management do to advance geothermal energy and create jobs in rural communities?*

Answer.

- Simplify and expedite the permitting process for geothermal development, especially for projects on previously disturbed or studied lands. This includes adopting categorical exclusions for geothermal exploration.
- Establish a geology and science fellows program between BLM and a non-profit, perhaps Geothermal Rising, to augment BLM’s geothermal permitting review staff with independent geologists and researchers from academia, retired professionals, or national lab staff.
- Allow hybrid energy leasing on BLM lands so that other renewables can development on BLM geothermal leases so long as geothermal is also being developed as a means of sharing transmission costs and potentially bring investment from other renewables to geothermal.
- Allow BLM staff to work remotely rather than physically relocating to spots such as Winnemucca, Nevada or Battle Mountain, Nevada. This would attract more candidates to help alleviate staffing issues that the geothermal industry experiences at all BLM field and district offices. With the new language in the debt ceiling bill around Environmental Assessment/Environmental Impact Statement timelines, BLM is going to need to hire new staff to meet the condensed schedules.
- Equalize BLM decision making across offices/states with a set of standard geothermal-specific operating procedures for geothermal permitting would greatly speed up development of geothermal resources on federal lands.
- Increase frequency on of BLM geothermal lease sales on federal lands. Nevada is currently the only state holding regular lease sales. All other western states are years behind congressionally mandated geothermal lease sale timelines.

- Provide technical support and resources to local BLM offices, enhancing their capacity to manage and review geothermal projects effectively. Hire more staff, train them adequately in standard geothermal technical vernacular, and allow them to work remotely so that rural areas can be served effectively.
- Encourage partnerships between the private sector, local communities, and BLM to develop projects that align with local economic and environmental objectives. The BLM can aid in this by supporting flexible financing structures and mitigating exploration risks.
- Increase awareness and understanding of geothermal energy's benefits, potential, and dispel misconceptions through educational programs and community outreach.

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Mr. STAUBER. Thank you, Dr. Jones. Our next witness is Kathleen Sgamma, and she is the President of Western Energy Alliance, and is stationed in Denver, Colorado.

Ms. Sgamma, you are now recognized for 5 minutes.

**STATEMENT OF KATHLEEN SGAMMA, PRESIDENT, WESTERN ENERGY ALLIANCE, DENVER, COLORADO**

Ms. SGAMMA. Good morning, Chairman Stauber, Ranking Member Ocasio-Cortez, and members of the Committee.

Thanks for the opportunity to testify today. I really appreciate the bill, Ms. Hageman, on the Expressions of Interest, one of my favorite topics.

Western Energy Alliance represents oil and natural gas producers in Wyoming and across the Rocky Mountain West. The bill fixes a structural flaw in the EOI provisions, Expressions of Interest, or EOI provisions of the Inflation Reduction Act. There are many structural flaws in the IRA regarding energy, since the language was hastily rushed in in the summer of 2022, and this legislation fixes one of them. So, I really appreciate that.

Representative Hageman's bill would correct one of those flaws. The EOI language in IRA, if unchanged, requires companies to pay a \$5-per-acre fee for acreage they nominate, regardless of whether that acreage is ever offered for sale.

Based on the large proportion of acreage that BLM nominates and then historically sits on and never brings to sale, the government is in the inappropriate position of charging for nothing. The government takes the money, regardless of whether the service is rendered or not, something that certainly would not work in the private sector.

I have a very simple fix. BLM should simply collect the EOI fee at the time the acreage is offered for sale. IRA language does not specify when the fee must be paid, so BLM has the flexibility, with its leasing rule, which it is now working on finalizing, to simply make this fix a reality. We, at Western Energy Alliance, offered that suggestion in our comments, and we hope BLM will accept that change.

Further, collecting the fee at time of sale fixes another problem, and that is the situation of one company paying for something that another company receives. Nominating a parcel and paying that fee does not guarantee you will win the lease at auction. It merely starts the leasing process. By making the EOI fee payable at the time of sale, the winning bidder pays for the lease right received,

not the losing bidder, who goes home empty-handed. It is inherently inequitable to compel one party to pay for something another party receives.

My solution also addresses parcels offered at auction that receive no bids. In that case, the nominating company pays the EOI fee. Whether sold or not, the EOI fee is paid, and BLM pockets the fee to cover its lease processing costs. BLM could implement my solution as part of its leasing rule, but legislation such as H.R. 6481 is necessary in the likelihood that BLM does not choose to implement my practical solution.

The push for the EOI fee came in response to the problem of too much acreage being nominated in Nevada. As far as I could tell, given publicly available information and conversations with people in Nevada, one or two persons inexperienced in the business of oil and natural gas were nominating millions of acres without having conducted any analysis of the geology, resource potential, or industry interest. The nominations would be submitted indiscriminately on bulk spreadsheets, listing hundreds of parcels of hundreds of thousands of acres at a time. This is something that real practitioners in the oil and natural gas industry in Wyoming, New Mexico, Colorado, and North Dakota simply do not do.

The person or persons did this several times, and, of course, none of the acreage sold at auction. I argued publicly and to BLM at the time that they should simply ignore these bulk nominations. And indeed, BLM came to that same conclusion. So, that kind of was the problem solved. But you know, the problem basically went away, but, of course, the idea of an EOI fee went far beyond the problem.

Therefore, I call on Congress simply to eliminate the fee. Even before the new IRA fee went into effect, the oil and gas industry returns \$55 for every dollar BLM spends processing the oil and natural gas program in its entirety. In fact, the \$8.6 billion we return in royalties, rents, and bonuses more than covers BLM's entire budget.

Given the likelihood of my first legislative suggestion being adopted, I think Representative Hageman's bill is very reasonable, and we do appreciate that and call on Congress to move forward with that bill.

Thank you so much for the opportunity to testify.

[The prepared statement of Ms. Sgamma follows:]

PREPARED STATEMENT OF KATHLEEN SGAMMA, PRESIDENT,  
WESTERN ENERGY ALLIANCE  
ON H.R. 6481

Chairman Stauber, Ranking Member Ocasio-Cortez, and Committee Members, thank you for the opportunity to testify today on H.R. 6481. The subject of the bill involves nominations for oil and natural gas leases, which are initiated by an Expression of Interest (EOI). EOIs are a specific detail of the leasing process governed by the Mineral Leasing Act (MLA), as amended by the inaptly named Inflation Reduction Act (IRA). Inaptly, as the EOI fee, along with other fees and tax increases as well as hundreds of billions in government spending, will ensure that fundamental energy inflation continues far into the future.

Western Energy Alliance thanks Representative Hageman for introducing the bill. The bill does not rescind the fee, but rather fixes a structural flaw in the EOI provisions of IRA. There are many structural flaws in IRA regarding energy, since the language that Senator Manchin hastily developed as he rushed IRA into law over

just a few weeks in the summer of 2022 was not vetted with industry experts nor with the Bureau of Land Management (BLM). Officials at BLM have commiserated with me over the lack of technical consultation on the language, which has resulted in impracticalities and confusion on how to implement several provisions such as those regarding EOIs, other fee increases, and the intertwining of renewable energy permits with oil and natural gas leasing. The proposed leasing rule, about which I testified before this Subcommittee in September, demonstrates the difficulties BLM faces in finalizing a legally defensible final rule. Likewise, the Environmental Protection Agency (EPA) is struggling in multiple rulemakings to figure out technically how to implement the methane emissions fee mandated by IRA.

We applaud Senator Manchin for recognizing—in a bill that included hundreds of billions of dollars in spending and subsidies for so-called green energy projects—that oil, natural gas, and coal provide 80% of the energy that Americans rely on and are not going away anytime soon. While research and development for alternative energy sources is a worthy government investment, excessive IRA spending that distorts energy markets confuses American energy policy and threatens grid reliability. But since IRA proceeds apace, at least Senator Manchin had the foresight to attempt to keep the Department of the Interior from completely crowding out reliable energy sources by focusing solely on wind and solar energy. He included provisions that require a minimum level of oil and natural gas lease offerings before wind and solar permits can be issued, an all-of-the-above energy approach we can get behind. However, again, since the language was not developed cooperatively, the wording is confusing and BLM is playing games with how it counts EOIs and acreage offered to meet neither the letter nor the spirit of these IRA provisions.

#### **Regulatory Fix**

Getting back more directly to the subject at hand, Rep. Hageman’s bill would correct one of the various flaws of the EOI provisions in IRA. First to identify the flaws. The EOI language in IRA, if unchanged, requires companies to pay a \$5 per-acre fee for the acreage they nominate, regardless of whether the acreage is ever offered for sale. Based on the large proportion of nominated acreage that BLM historically sits on for years and never brings to sale, the government is in the inappropriate position of charging for nothing. The government takes the money whether or not the service is rendered, something that certainly would not work in the private sector.

I have a simple fix: BLM should simply collect the EOI fee at the time the acreage is offered for sale. The IRA language does not specify when the fee must be paid, so BLM has the flexibility with its leasing rule to make this simple fix a reality. Western Energy Alliance offered that suggestion in comments on the rule, and we hope BLM will accept this common-sense fix.

Further, collecting the fee at time of sale also corrects another problem: the situation of one company paying for something another company receives. Nominating a parcel does not guarantee you will win that lease at auction; it merely starts the leasing process. By making the EOI fee payable at time of sale, the winning bidder pays for the lease right received, not the losing bidder who goes home empty-handed. It is inherently inequitable to compel one party to pay for property that another party receives.

My solution also addresses parcels offered at auction that receive no bids: the nominating company pays the EOI fee. Whether sold or not, the EOI fee is paid and BLM pockets the fee to cover its lease processing costs. BLM could implement my suggestions as part of its leasing rule, but legislation such as H.R. 6481 is necessary in the likelihood BLM chooses not to implement my practical solution.

#### **Some History**

The push for the EOI fee came in response to the problem of too much acreage being nominated in Nevada. As far as I could tell, given publicly available data and conversations with people in Nevada, one or two individuals inexperienced in the business of oil and natural gas were nominating millions of acres without having conducted any analysis of the geology, resource potential, or industry interest. The nominations would be submitted indiscriminately on bulk spreadsheets listing hundreds of parcels of hundreds of thousands of acres at a time. In digging into the issue, I could not determine a true motive other than possibly naivete and a desire to convince gullible clients that one is a “player” in the business. But a nomination is nothing but a piece of paper if you never acquire the lease and determine its potential.

This person(s) did this several times, and of course, none of the acreage sold at auction. I argued publicly and to BLM that it should simply ignore these bulk nominations. BLM indeed came to that same conclusion after a few null sales and did not move forward wholesale with these nominations. Problem solved.

Meanwhile, in the Mountain West states where the vast majority of federal leasing and production occur, this simply does not happen. Companies spend too much time and money when assessing potential leases to nominate willy nilly. The majority of parcels offered generally receives bids. The percentage is not 100% because of inefficiencies in the leasing process and the long time periods between nomination and sale, which can discourage companies and cause them to give up. But bulk nominations of hundreds of thousands of acres simply do not occur.

### **Legislative Solutions**

Once BLM stopped processing the bulk nominations from Nevada, the problem went away. But of course, reality and evidence don't always drive the policy process, and the "solution" of an EOI fee lasted far beyond the problem. Therefore, I call on Congress to simply eliminate the EOI fee. Even before the new IRA EOI fee and all the others were put in place, the oil and natural gas industry returned \$54.94 for every dollar BLM spent administering the federal oil and gas program.<sup>1</sup> In fact, the \$8.6 billion in onshore royalties, rents, and bonuses that oil and natural gas companies paid in 2022 cover BLM's entire budget appropriation of \$1.6 billion. BLM does not lack resources to process EOIs.

Given the likelihood of my first legislative suggestion passing, H.R. 6481 is a very reasonable solution. By removing the word "nonrefundable" from the EOI fee definition in the Mineral Leasing Act, the bill fixes the important problem of BLM taking fees for acreage that it never offers for sale. After five years, if BLM has not offered the parcel, the EOI fee is refunded. That is reasonable.

A third suggestion would be for H.R. 6481 to be amended along the lines of my easy regulatory fix above. The bill could specify that the EOI fee is to be paid at the time of sale by the winning bidder, or if the parcel does not sell, the nominating company is on the hook. My suggestion solves the potential problem of excess nominations, as profligate nominators are liable for unwanted lease fees. At \$5 an acre, our naive friends in Nevada would be immediately priced out of the nominations process, were they still up to their tricks today.

Thank you for the opportunity to testify.

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Ms. HAGEMAN [presiding]. Thank you, Ms. Sgamma. Our next witness is Dr. J. Mijin Cha, and she is Assistant Professor at the University of California, Santa Cruz Environmental Studies Department, and is stationed in Santa Cruz.

Dr. Cha, you are now recognized for 5 minutes.

### **STATEMENT OF J. MIJIN CHA, ASSISTANT PROFESSOR, UNIVERSITY OF CALIFORNIA, SANTA CRUZ, CALIFORNIA**

Dr. CHA. Thank you, Chairman Stauber, Ranking Member Ocasio-Cortez, and members of the Subcommittee on Energy and Mineral Resources. Thank you for inviting me to testify today. My name is Mijin Cha, and I am an Assistant Professor of Environmental Studies at the University of California, Santa Cruz. My testimony today is based on my research, and my views are my own. I join you today to discuss Representative Hageman's proposed legislation, H.R. 5482.

First, I commend Representative Hageman for recognizing how energy poverty affects so many households across the country. The U.S. Energy Information Administration found that in 2020, 34 million households, nearly one out of every three households

<sup>1</sup>Office of Natural Resources Revenue (ONRR) 2022 revenue data for oil and natural gas divided by BLM's \$156,537,000 total FY2022 actual appropriation, from *Budget Justifications and Performance Information, Fiscal Year 2024, Bureau of Land Management, DOI*.

nationwide, struggled to pay their energy bills or kept their homes at unsafe temperatures because of cost concerns.

However, the bill's specific focus on protecting oil and gas extraction and exploration is counter to combating energy poverty. Pricing is one of the main drivers of energy poverty, but it is not the only one. Poor housing stock, lack of access to capital, and homeowner status all contribute to energy insecurity and high energy burdens. Focusing only on energy production misses these other drivers of energy insecurity.

Moreover, the bill as introduced does nothing to reduce energy prices. To address the root causes of energy poverty, we must first reintroduce the ban on oil exports and expand it to include a ban on fracked gas exports to keep oil and gas extracted in the United States in the United States.

Second, we must expand current Federal assistance programs that provide assistance to struggling households, such as the Low-Income Home Energy Assistance Program, LIHEAP, and the Weatherization Assistance Program, WAP.

And third, we must plan for and advance a managed decline of fossil fuel extraction and use.

Exports of U.S. fossil fuels rose dramatically after the ban on oil exports was lifted in 2015. Since that time, crude oil exports have grown nearly 900 percent; fracked gas exports increased by 507 percent. The United States is now a net petroleum exporter. Instead of providing for people in this country, the majority of oil and gas extracted in the United States is shipped around the world. Reinstating the ban on oil exports would keep American oil here and reduce fuel costs at home.

Additionally, expanding the original ban on exports to include fracked gas would increase the domestic supply of gas available to be used for heating and for gas-fired power plants.

A main reason bills remain high is the global demand for gas led to a substantial increase in exports of liquefied natural gas, LNG, from the United States. To prevent future price spikes driven by global considerations, banning the exports of LNG, in addition to oil, would keep gas in-country and ensure American resources benefit Americans.

Second, we must expand current Federal assistance programs. Programs such as LIHEAP and WAP are crucial lifelines for struggling households. Expanding these programs would provide vital support at a time when many more families are struggling to pay their energy bills. LIHEAP provides assistance to over 6 million low-income families, but need far outweighs current programmatic funding. LIHEAP, as currently funded, can only serve less than a third of eligible households. If fully resourced, LIHEAP could be a lifeline for all families in need.

WAP is another energy assistance program that should be scaled up significantly. Weatherization can reduce heating bills by up to 30 percent, and WAP recipients save nearly \$300 per year, on average. Expanding WAP access and weatherizing all low-income housing would also make tremendous structural progress towards eliminating energy insecurity and poverty by reducing overall energy demand.

If cost is a concern, expansion of LIHEAP and WAP could be funded by repealing the tax credits and subsidies the oil and gas industry receive. Conservative estimates calculate that oil and gas companies currently receive \$20 billion a year in financial subsidies. These subsidies dwarf the amount allocated to LIHEAP, currently just \$3.6 billion for Fiscal Year 2024.

Ultimately, however, the biggest threat facing vulnerable communities is unabated climate change and the continued use of fossil fuels. To protect these populations, we must phase out the extraction and use of fossil fuels.

More than 12 million people face health burdens from living within half a mile of an oil or gas well or a fossil fuel facility. Proximity to oil and gas sites has been shown to increase health conditions such as asthma, cancer, and pre-term birth rates. Continued fossil fuel use places enormous health burdens upon workers and communities across the country and across the world.

In addition to the continuing health impacts, fossil fuels are the primary driver of the climate crisis. Without a fossil fuel draw-down, unabated climate change will lead to an uninhabitable planet. There is already evidence that low-income households and households of color do not cool their homes to comfortable temperatures because of the high cost of air conditioning, assuming they can afford air conditioning in the first place.

Extreme heat also wreaks havoc on electricity grids. Increased blackouts and grid instability affects everyone, and continuing the use of fossil fuels will only exacerbate these dangerous conditions.

To stave off the worst impacts of the climate crisis, we must have a managed and orderly decline of fossil fuel extraction and use. A timeline with set production reduction targets and resources for transition will provide stability and certainty for markets to adapt and provide stability and certainty for workers and communities.

Thank you for your time, and I look forward to your questions.

[The prepared statement of Dr. Cha follows:]

PREPARED STATEMENT OF DR. J. MIJIN CHA, ASSISTANT PROFESSOR, UNIVERSITY OF CALIFORNIA, SANTA CRUZ; FELLOW, CLIMATE JOBS INSTITUTE, CORNELL UNIVERSITY  
ON H.R. 5482

Chairman Stauber, Ranking Member Ocasio-Cortez, and members of the Subcommittee on Energy and Mineral Resources, thank you for inviting me to testify today.

My name is Mijin Cha and I am an assistant professor of Environmental Studies at the University of California, Santa Cruz, a Fellow at the Climate Jobs Institute at Cornell University, and a Fellow at the Climate and Community Project. I hold a JD and a PhD and am a member of the California Bar. My research focuses on the intersection of labor, climate, and inequality and how to advance a just energy transition. My testimony today is based on my research and my views are my own.

I join you today to discuss Representative Hageman's proposed legislation—H.R. 5482, "Energy Poverty Prevention and Accountability Act of 2023." Coincidentally, while I am based in California now, I spent many of my formative years in Rep. Hageman's beautiful home state of Wyoming.

First, I commend Rep. Hageman for recognizing how energy poverty affects so many households across the country. The U.S. Energy Information Administration found that in 2020, 34 million households—nearly one out of every three households nationwide—struggled to pay their energy bills or kept their homes at unsafe

temperatures because of cost concerns.<sup>1</sup> Black and Hispanic households experience higher levels of energy insecurity and poverty.<sup>2</sup> Energy security is a racial, economic, and social justice consideration.

I also commend this bill for proposing to study the impact that policies have on low-income communities, rural communities, and communities of color. It is imperative that we structure policy in a way that protects the most vulnerable.

However, the bill's specific focus on protecting oil and gas extraction and exploration is counter to combatting energy poverty. Recent research shows that electricity shutoffs are driven largely by two issues: an overinvestment in fossil fuel infrastructure, which drives price volatility, and excessive profits and executive pay.<sup>3</sup> While struggling families face ever increasing power bills and threats of cut-offs, utility executives received, on average, \$5.9 million in pay in 2022. High oil and gas prices mean higher profits and therefore the incentive is to keep gas prices high.

Moreover, while pricing is one of the main drivers of energy poverty, it is not the only one. Poor housing stock, lack of access to capital, and homeowner status all contribute to energy insecurity and high energy burdens.<sup>4</sup> Low-income households and households of color are more likely to live in housing in need of weatherization and energy-efficiency upgrades, but lack the capital to undertake these improvements. Inefficient and poorly weatherized housing creates poor health conditions and also requires more electricity and heating than necessary. These conditions result in excessively high utility bills even when rate pricing is lower. Moreover, low-income households and households of color are more likely to be renters, which means they cannot take advantage of most rebate and energy efficiency incentive programs. Rather, they must rely on landlords to do upgrades even though the impact is on their utility bills. Focusing only on energy production misses these other drivers of energy insecurity and high energy burden.

To address the root causes of energy poverty, we must 1) reintroduce the ban on oil exports and expand it to include a ban on fracked gas exports to keep oil and gas extracted in the U.S. in the U.S., 2) expand current federal assistance programs that provide assistance to struggling households, such as the Low Income Home Energy Assistance Program (LIEHAP) and the Weatherization Assistance Program (WAP), and 3) plan for and advance a managed decline of fossil fuel extraction and use.

### **Reintroduce Ban on Oil Exports and Expand to Include a Ban on Exports of Fracked Gas**

While households across the country struggle to pay their heating and electric bills, the oil and gas industry is breaking production and profit records. This year, there was a record level of oil and gas production. And, 2023 is not an anomaly—this record-setting level of production is expected to continue until 2050.<sup>5</sup> Not only is this incompatible with any and all measures to address the climate crisis, record-setting levels of oil and gas production *have not reduced* energy bills for Americans. While more and more oil and gas is being extracted, those profits are going to oil and gas companies and households across the country are not benefiting, not even one cent.

Exports of U.S. fossil fuels rose dramatically after the ban on oil exports was lifted in 2015.<sup>6</sup> Since the repeal of the ban, crude oil exports grew nearly 900

<sup>1</sup>"In 2020, 27% of U.S. Households Had Difficulty Meeting Their Energy Needs," accessed December 7, 2023, <https://www.eia.gov/todayinenergy/detail.php?id=51979>.

<sup>2</sup>Shalanda H. Baker, Sanya Carley, and David M. Konisky, "Energy Insecurity and the Urgent Need for Utility Disconnection Protections," *Energy Policy* 159 (December 1, 2021): 112663, <https://doi.org/10.1016/j.enpol.2021.112663>; Michelle Graff et al., "Which Households Are Energy Insecure? An Empirical Analysis of Race, Housing Conditions, and Energy Burdens in the United States," *Energy Research & Social Science* 79 (September 1, 2021): 102144, <https://doi.org/10.1016/j.erss.2021.102144>.

<sup>3</sup>"In 2020, 27% of U.S. Households Had Difficulty Meeting Their Energy Needs," accessed December 7, 2023, <https://www.eia.gov/todayinenergy/detail.php?id=51979>.

<sup>4</sup>Diana Hernández, "Understanding 'Energy Insecurity' and Why It Matters to Health," *Social Science & Medicine* (1982) 167 (October 2016): 1-10, <https://doi.org/10.1016/j.socscimed.2016.08.029>.

<sup>5</sup>Oliver Milman, "US Oil and Gas Production Set to Break Record in 2023 despite UN Climate Goals," *The Guardian*, November 27, 2023, sec. Environment, <https://www.theguardian.com/environment/2023/nov/27/us-oil-gas-record-fossil-fuels-cop28-united-nations>.

<sup>6</sup>Taproot Earth and Climate and Community Project, "We Choose Now: Energy Policy Playbook," [https://taproot.earth/wp-content/uploads/23\\_05\\_04\\_WCN-ENERGY.pdf](https://taproot.earth/wp-content/uploads/23_05_04_WCN-ENERGY.pdf), May 2023, accessed December 6, 2023.

percent.<sup>7</sup> Fracked gas exports increased by 507 percent.<sup>8</sup> In addition to being the world's top producer of oil and gas, the United States is now a net petroleum exporter. In 2022, we exported 9.52 million barrels of petroleum per day while importing 8.33 million barrels per day.<sup>9</sup> Instead of providing for people in this country, oil and gas extracted in the U.S. is shipped around the world. Increasing production levels has done nothing for household energy bills because the oil and gas extracted is being sent to other countries. Re-instating the ban on oil exports would keep American oil here and reduce fuel costs at home.

Additionally, expanding the original ban on exports to include fracked gas would increase the domestic supply of gas available for heating and for gas-fired power plants. This increased supply will decrease costs for households. One reason bills remain high, as made clear by utilities and regulators, is the global demand for gas led to a substantial increase in exports of liquified natural gas (LNG) from the U.S. Another reason is that when gas prices spike, the effect lasts for years. While there was a spike in gas prices in 2021 and 2022 due to Russia's invasion of Ukraine, wholesale gas prices fell in 2023 to roughly the level they were before the invasion.<sup>10</sup> Yet, this decrease in wholesale gas prices was not reflected on utility bills. Residential gas prices, in fact, were at their highest levels in 10 states in August 2023. The reason is because utilities distribute the cost of fuel spikes in rate increases over years. Customers will continue to pay for the temporary high cost of gas from the Ukrainian war for several years to come. As a result of these factors, there is no relief for American utility customers even though retail gas prices declined.

To prevent future prices spikes driven by global considerations, banning the export of LNG, in addition to oil, would keep domestic gas domestic and ensure American resources benefit Americans.

### **Expand Current Federal Assistance Programs**

Federal programs, such as the Low Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program (WAP), are crucial lifelines for struggling households. LIHEAP and WAP are critical to providing energy security to families across the country. Expanding these programs would provide vital support at a time when many more families are struggling to pay their energy bills.

LIHEAP provides assistance to over 6 million low-income families. But need far outweighs current programmatic funding. LIHEAP as currently funded can serve only less than a third of eligible households. If expanded, the program could be a true lifeline and provide more support. Fully resourcing the program would allow it to reach all the households that need assistance.

WAP is another energy assistance program that should be scaled up significantly. WAP provides crucial energy efficiency upgrades that can help households permanently lower their energy bills. According to the National Association for State Community Services Programs, weatherization can reduce heating bills by up to 30 percent and WAP recipients save nearly \$300 per year on average.<sup>11</sup> Expanding WAP access and weatherizing all low-income housing would also make tremendous *structural* progress towards eliminating energy insecurity and poverty by reducing overall energy demand. Efficient homes have lower energy bills. And, weatherization not only lowers utility bills, it makes housing healthier and safer.

If cost is a concern, expansion of LIHEAP and WAP could be funded by repealing the tax credits and subsidies the oil and gas industry receive. Conservative estimates calculate that oil and gas companies currently receive \$20 billion a year in financial subsidies.<sup>12</sup> These subsidies dwarf the amount allocated to LIHEAP—

<sup>7</sup>“U.S. Exports of Crude Oil (Thousand Barrels per Day),” accessed December 9, 2023, <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCREXUS2&f=M>.

<sup>8</sup>“Natural Gas Imports and Exports—U.S. Energy Information Administration (EIA),” accessed December 9, 2023, <https://www.eia.gov/energyexplained/natural-gas/imports-and-exports.php>.

<sup>9</sup>“Frequently Asked Questions (FAQs)—U.S. Energy Information Administration (EIA),” accessed December 6, 2023, <https://www.eia.gov/tools/faqs/faq.php>.

<sup>10</sup>“LNG Exports Have Raised Natural Gas Prices for U.S. Households,” accessed December 7, 2023, <https://ieefa.org/resources/lng-exports-have-raised-natural-gas-prices-us-households>.

<sup>11</sup>“LIHEAP and WAP: A Dynamic Duo for Reducing the Low-Income Energy Burden—NASCSP,” accessed December 7, 2023, <https://nascsp.org/liheap-and-wap-a-dynamic-duo-for-reducing-the-low-income-energy-burden/>.

<sup>12</sup>“Fact Sheet—Proposals to Reduce Fossil Fuel Subsidies (2021)—White Papers—EESI,” accessed December 7, 2023, <https://www.eesi.org/papers/view/fact-sheet-proposals-to-reduce-fossil-fuel-subsidies-2021>.

currently just \$3.6 billion for FY 2024.<sup>13</sup> In 2022, the major oil companies made a record \$219 billion in profits.<sup>14</sup> Instead of using those profits to lower costs for consumers, Big Oil paid shareholders a record \$110 billion in dividends and stock buybacks.

Big Oil does not need tax payer dollars to further subsidize its record profits. Reallocating the tax dollars lost to Big Oil would more than fund LIHEAP at the levels it needs to provide support to all struggling households.

### **Plan for and Advance a Managed Decline of Fossil Fuel Extraction and Use**

Ultimately, the biggest threat facing vulnerable communities is unabated climate change and the continued use of fossil fuels. To protect these populations, we must phase out the use of fossil fuels.<sup>15</sup> Fossil fuels create heavily polluted hotspots, also called “sacrifice zones,” where inhabitants are subjected to heavy air, water, and land pollution. The vulnerable populations that live in sacrifice zones also face health risks associated with such high levels of pollution exposure. Sacrifice zones are disproportionately located in communities of color and poor communities.

Even outside of sacrifice zones, fossil fuels pollute and cause harm. More than 12 million people face health burdens from living within half a mile of an oil or gas well or a fossil fuel facility.<sup>16</sup> Proximity to oil and gas sites has been shown to increase health conditions, such as asthma, cancer, and preterm birth rates.<sup>17</sup> Continued fossil fuel use places enormous health burdens upon workers and communities across the country and across the world.

In addition to the continuing health impacts, fossil fuels are the primary driver of the climate crisis. Without a fossil fuel drawdown, unabated climate change will lead to an uninhabitable planet. And, climate change is not a future concern—we are already living in a changing climate. Moreover, energy insecurity and the climate crisis are inextricably linked. Climate change will exacerbate energy insecurity, particularly as occurrences of extreme heat and extreme cold continue to increase.<sup>18</sup> Among their many dangers, extreme heat and extreme cold cause spikes in energy demand that lead to higher utility bills. Extreme temperatures create dangerous conditions and households that cannot afford to adequate heat or cool their homes will face increased health risks, including heatstroke and exacerbation of pre-existing conditions.

There is already evidence that low-income households and households of color do not cool their homes to comfortable temperatures because of the high cost of air conditioning, assuming they can afford air conditioning in the first place.<sup>19</sup> The dangers of extreme heat are not limited to energy insecure households, though. Extreme heat also wreaks havoc on electricity grids.<sup>20</sup> Increased blackouts and grid instability affects everyone and continuing the use of fossil fuels will only further exacerbate these dangerous conditions.

To stave off the worst impacts of the climate crisis, we must have an energy transition away from fossil fuels to a renewable energy future. There is an abundance of research that shows how renewable energy will lower and stabilize energy prices<sup>21</sup> but I want to point to the testimony of Erin O’Neill, Chief Economist of

<sup>13</sup>“LIHEAP and WAP Funding—The LIHEAP Clearinghouse,” accessed December 7, 2023, <https://liheapch.acf.hhs.gov/Funding/funding.htm>.

<sup>14</sup>Ron Bousso, “Big Oil Doubles Profits in Blockbuster 2022—Reuters,” February 8, 2023, <https://www.reuters.com/business/energy/big-oil-doubles-profits-blockbuster-2022-2023-02-08/>.

<sup>15</sup>Timothy Q. Donaghy et al., “Fossil Fuel Racism in the United States: How Phasing out Coal, Oil, and Gas Can Protect Communities,” *Energy Research & Social Science* 100 (June 1, 2023): 103104, <https://doi.org/10.1016/j.erss.2023.103104>.

<sup>16</sup>Zahara Hirji, “‘Threat Map’ Aims to Highlight the Worst of Oil and Gas Air Pollution,” *Inside Climate News*, June 16, 2016, <https://insideclimatenews.org/news/16062016/threat-map-aims-highlight-worst-oil-and-gas-air-pollution-cancer-epa-earthworks/>.

<sup>17</sup>Jonathan J. Buonocore et al., “Air Pollution and Health Impacts of Oil & Gas Production in the United States,” *Environmental Research: Health* 1, no. 2 (May 2023): 021006, <https://doi.org/10.1088/2752-5309/acc886>.

<sup>18</sup>Michelle Graff et al., “Climate Change and Energy Insecurity: A Growing Need for Policy Intervention,” *Environmental Justice*, April 19, 2022, <https://doi.org/10.1089/env.2021.0032>.

<sup>19</sup>Shuchen Cong et al., “Unveiling Hidden Energy Poverty Using the Energy Equity Gap,” *Nature Communications* 13, no. 1 (May 4, 2022): 2456, <https://doi.org/10.1038/s41467-022-30146-5>.

<sup>20</sup>“Extreme Heat Makes Electricity More Expensive, More Polluting, and Less Reliable,” *The Equation*, August 22, 2023, <https://blog.ucusa.org/john-rogers/extreme-heat-makes-electricity-more-expensive-more-polluting-and-less-reliable/>.

<sup>21</sup>See e.g. Amol Phadke et al., “2035 The Report: Plummeting Solar, Wind, And Battery Costs Can Accelerate Our Clean Electricity Future,” 2020, <https://www.2035report.com/wp-content/>

Colorado's Public Utilities Commission.<sup>22</sup> In discussing the causes of the increase in utility bills during the Winter of 2022–2023, gas bills were identified as the main driver of high utility costs. O'Neill identified several other factors, including the cost of gas and the increased demand for gas due to a relatively colder Winter. Notably, however, investments and use of renewable energy were identified as not responsible for higher utility bills. In fact, "[T]o the extent Colorado has invested in renewable generation for electricity production, that has helped insulate electric bills from the impact of high and volatile gas commodity prices."

Phasing out fossil fuels will require substantial management and coordination.<sup>23</sup> Without a managed decline, we risk a chaotic transition that could lead to further economic and social instability. The volatility of energy prices is empirical evidence of how an unmanaged use of resources creates instability and insecurity. An orderly and managed decline of fossil fuel extraction and use can provide workers and communities a just transition to a carbon-free future. A timeline with set production reduction targets and resources for transition will provide stability and certainty for markets to adapt to decarbonization and provide stability and certainty for workers and communities to diversify economies and tax bases.<sup>24</sup>

The federal government could go even further and build publicly owned renewable projects that would help provide more stable energy to the grid and reduce costs to consumers. As we see in the Building Public Renewables Act recently passed in New York state, it is easier to have more oversight and management of a public power authority than the private utility system. A blueprint for how the federal government could provide a public option for electricity can be found in the Climate and Community Project's *Building Public Renewables in the United States*, report.<sup>25</sup>

### Conclusion

To conclude, I applaud the Representative's recognition of energy poverty and how it hurts communities across the country. In order to address the root causes of energy poverty and protect vulnerable households, the legislation should call for a ban on oil and gas exports, expand existing assistance programs, and plan for and advance a managed decline of fossil fuel resources.

Thank you for your time and consideration.

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QUESTIONS SUBMITTED FOR THE RECORD TO DR. J. MIJIN CHA, ASSISTANT  
PROFESSOR, UNIVERSITY OF CALIFORNIA, SANTA CRUZ

### Questions Submitted by Representative Dingell

*Question 1. Dr. Cha, does increasing fossil fuel production lead to lower energy costs?*

Answer. Not necessarily. Without re-instating the ban on oil exports and expanding it to include banning gas exports, the fossil fuels produced domestically are being exported and sold in other countries. So while oil and gas production in the U.S. is at record levels, this increase in production is not leading to more domestic supply. As a result, energy costs are not lowered even though production levels

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uploads/2020/06/2035-Report.pdf; "North American Renewable Integration Study," accessed December 9, 2023, <https://www.nrel.gov/analysis/naris.html>.

<sup>22</sup> [https://leg.colorado.gov/sites/default/files/images/puc\\_presentation\\_3.7.23.pdf](https://leg.colorado.gov/sites/default/files/images/puc_presentation_3.7.23.pdf)

<sup>23</sup> Johanna Bozuwa et al., "Chapter 8—Democratic Governance of Fossil Fuel Decline," in *Energy Democracies for Sustainable Futures*, ed. Majia Nadesan, Martin J. Pasqualetti, and Jennifer Keahey (Academic Press, 2023), 73-82, <https://doi.org/10.1016/B978-0-12-822796-1.00008-5>; Emily Grubert and Sara Hastings-Simon, "Designing the Mid-Transition: A Review of Medium-Term Challenges for Coordinated Decarbonization in the United States," *WIREs Climate Change* 13, no. 3 (2022): e768, <https://doi.org/10.1002/wcc.768>.

<sup>24</sup> For more research on what a just transition would entail, see: J. Mijin Cha, "A Just Transition for Whom? Politics, Contestation, and Social Identity in the Disruption of Coal in the Powder River Basin," *Energy Research & Social Science* 69 (November 1, 2020): 101657, <https://doi.org/10.1016/j.erss.2020.101657>; J. Mijin Cha and Manuel Pastor, "Just Transition: Framing, Organizing, and Power-Building for Decarbonization," *Energy Research & Social Science* 90 (August 1, 2022): 102588, <https://doi.org/10.1016/j.erss.2022.102588>; J. Mijin Cha, Madeline Wander, and Manuel Pastor, "Environmental Justice, Just Transition, and a Low-Carbon Future for California," *Environmental Law Reporter* 50 ELR 10216 (March 2020), <https://elr.info/news-analysis/50/10216/environmental-justice-just-transition-and-low-carbon-future-california>.

<sup>25</sup> Johanna Bozuwa et al., "Building Public Renewables in the United States" (Climate and Community Project, March 2023), <https://www.climateandcommunity.org/public-renewables-in-the-us>.

are at record levels. Without the export ban, increasing fossil fuel production will not materially decrease energy costs.

*Question 2. Dr. Cha, can you expand on some of the root causes of energy insecurity?*

Answer. The root causes of energy insecurity are general economic insecurity, poor housing stock, lack of access to capital, and homeowner status. General economic insecurity causes families to not have enough income or wealth to pay basic utility bills. Low-income households and households of color are more likely to live in housing in need of weatherization and energy-efficiency upgrades, but lack the capital to undertake these improvements. Inefficient and poorly weatherized housing creates poor health conditions and also requires more electricity and heating than necessary. These conditions result in excessively high utility bills even when rate pricing is lower. Moreover, weatherization and energy efficiency incentives are generally targeted at homeowners so renters, which low-income families are more likely to be, cannot take advantage of those programs.

The climate crisis is also a driver of energy insecurity as more extreme weather events disrupt power supplies and systems. These disruptions are often worse in low-income communities and communities of color leading to more energy insecurity among these populations.

*Question 3. Dr. Cha, do you believe H.R. 5482 "Energy Poverty Prevention and Accountability Act of 2023" addresses those issues?*

Answer. No, H.R. 5482 does not address any of these issues. To the extent that H.R. 5482 protects the fossil fuel industry by providing skewed analysis of the benefits of expansions of fossil fuel activity, while ignoring the many costs and dangers, it will exacerbate the climate crisis further increasing energy insecurity.

*Question 4. Dr. Cha, can you elaborate about the importance of LIHEAP and whether current funding levels are enough to meet American families' needs?*

Answer. LIHEAP provides vital support at a time when many more families are struggling to pay their energy bills. LIHEAP provides assistance to over 6 million low-income families. Currently funding levels are far below what is needed to support American families. LIHEAP as currently funded can serve only less than a third of eligible households. LIHEAP funding would need to be tripled, at the minimum, to provide assistance to all the families in need. The Weatherization Assistance Program (WAP), which helps low-income households weatherize their homes, is also a crucial lifeline that would structurally reduce energy costs by reducing energy usage. WAP is also severely underfunded.

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Ms. HAGEMAN. Thank you. Our final witness is Mr. Derek Hollie, the Founder of the Energy Poverty Prevention Project, who is stationed in Stafford, Virginia.

Mr. Hollie, you are now recognized for 5 minutes.

**STATEMENT OF DEREK HOLLIE, FOUNDER, ENERGY POVERTY PREVENTION PROJECT, STAFFORD, VIRGINIA**

Mr. HOLLIE. Thank you. Greetings, Chairman Stauber, Ranking Member Ocasio-Cortez, and members of the Committee. Thank you for the opportunity of allowing me to speak today.

I am not going to mince my words. By destroying America's energy independence, the Biden administration directly is making Black Americans more poor and less independent than ever.

Since Biden's first day in office, with the shutdown of the Keystone Pipeline projects and his ongoing war on a key pillar of our economy, we have all experienced skyrocketing energy costs that punish the very people he claims to care about.

I am Derek Hollie, Founder of the Energy Poverty Prevention Project. I founded the organization to enable us to continue leading the charge to expand awareness of energy poverty in the United

States and its implications on at-risk communities like minorities, senior citizens, rural, and Native Americans.

The mission of the Energy Poverty Prevention Project is to create equal access to affordable and reliable energy for all Americans. We are committed to changing energy regulations that fail to provide American citizens with access to affordable and reliable energy needed to maintain personal health and economic security.

Since 2019, I have had the opportunity to appear before Congress six times to give witness testimony on energy poverty and other related issues impacting at-risk communities. My experience addressing energy poverty includes authoring over 50 op-eds and editorials, and developing education and outreach campaigns.

My passion for American energy is deeply rooted in my own story, stemming from my grandfather, who was a Black coal miner in southwest Virginia and my time serving as a brakeman for Norfolk Southern Railways, where we transported coal and other natural resources here and abroad.

Energy poverty occurs when individuals and families are unable to afford basic heating, electricity, and gas needs. High energy costs and the lack of energy services negatively impact a household's well-being and limit opportunities. Vulnerable populations like minorities, senior citizens, and Native Americans are most often disproportionately affected by energy poverty, as other people have said today. These inflationary pressures and terrible consequences are not the result of a free market at work, but overzealous policy pushed by paternalistic lawmakers who think they know what is best for everyone with a one-size-fits-all approach.

Energy is a fixed cost for families and large entities alike, and we know when the price of energy increases, so does everything else: it costs more to drive, it impacts the cost of groceries, and, most critically, come winter, it costs more to heat your home. Rising energy costs make it harder or next to impossible for Black families to make ends meet.

Tragically, the pause on new oil and gas leases on Federal land and over-regulation accompanied with an aggressive green agenda by the Biden administration has many Americans experiencing energy poverty for the first time. There is no reason anyone in our country should be without affordable energy. The United States is abundantly rich in natural resources including gas, petroleum, and coal, and America is more capable than ever of providing affordable energy to its citizens.

The United States was energy independent in 2019 for the first time in decades, producing more energy domestically than we consumed. This, along with a booming shale industry, helped America overtake Saudi Arabia and Russia to become the No. 1 exporter of petroleum and natural gas globally.

Now, according to the U.S. Energy Information Administration, fossil fuels accounted for 81 percent of our U.S. energy production in 2022. Renewables reached their highest production in 2022, and only accounted for 13 percent of our energy production. More figures from the EIA show that renewables received \$15.6 billion of subsidies in Fiscal Year 2022, compared to \$3.6 billion for fossil fuels. Per the EIA report, renewable energies received nearly five

times as much in Federal subsidies than fossil fuels, despite having such a small impact.

Renewable projects are also very costly. In an article by Energy Wire in September, the Alliance for Clean Energy New York told regulators in June that, due to cost, canceled or delayed projects would drastically derail the schedule for renewable development and cause the state to miss its mandates under the law.

Eliminating energy poverty should be a goal that we are all interested in achieving. And working towards that goal, we need to be mindful of how environmental policies will impact the vulnerable communities that need our support. Radical environmentalists and the Biden administration like to frame this as a fight against big energy. But all they are really doing is pushing back Black Americans and other at-risk communities further into poverty.

When the government creates policy, its priority should be the welfare of the people, especially those who are impacted the hardest. We need market-oriented energy policy that will allow America to safely keep exploring and developing our own natural resources for a more secure and prosperous future for all Americans. Thank you.

[The prepared statement of Mr. Hollie follows:]

PREPARED STATEMENT OF DERRICK HOLLIE, FOUNDER OF ENERGY POVERTY  
PREVENTION PROJECT

ON H.R. 5482

Greetings Chairman, Pete Stauber, Ranking Member Ocasio-Cortez and Members of the Committee. Thank you for the opportunity and for allowing me to speak today.

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I'm Derrick Hollie, founder of the Energy Poverty Prevention Project. I founded the organization to enable us to continue leading the charge to expand awareness of energy poverty in the United States and its implications on at-risk communities like minorities, senior citizens, rural and Native Americans. The mission of the Energy Poverty Prevention Project is to create equal access to affordable and reliable energy for all Americans. We are committed to changing energy regulations that fail to provide American citizens with access to affordable and reliable energy needed to maintain personal health and economic security.

Since 2019, I have had the opportunity to appear before Congress six times to give testimony on energy poverty and other related issues impacting at-risk communities. My experience addressing energy poverty includes authoring over fifty op-eds and editorials and developing education and outreach campaigns. My passion for American energy is deeply rooted in my own story, stemming from my grandfather, who was a black coal miner in Southwest Virginia, and my time serving as a brakeman for Norfolk Southern Railways, where we transported coal and other natural resources here and abroad.

Energy poverty occurs when individuals and families are unable to afford basic heating, electricity, and gas needs. High energy costs and the lack of energy services negatively impact a household's well-being and limit opportunity. Vulnerable populations like minorities, senior citizens, and Native Americans are most often disproportionately affected by energy poverty. These inflationary pressures and the terrible consequences aren't the result of a free market at work, but overzealous policy pushed by paternalistic lawmakers who think they know what's best for everyone with a "one size fits all approach."

Energy is a fixed cost for small families and large enterprises alike, and we know when the price of energy increases, so does everything else. It costs more to drive, it impacts the cost of groceries, and most critically, come winter, it costs more to

heat your home. Rising energy costs are making it harder or next to impossible for Black families to make ends meet. Tragically, the pause on new oil and gas leases on Federal land, and overregulation accompanied with an aggressive green agenda by the Biden Administration has many Americans experiencing energy poverty for the first time.

There is no reason anyone in our country should be without affordable energy. The United States is abundantly rich in natural resources, including natural gas, petroleum, and coal. America is more capable than ever of providing affordable energy to its citizens. The United States was energy independent in 2019 for the first time in decades, producing more energy domestically than what we consumed. This, along with a booming shale industry, helped America overtake Saudi Arabia and Russia to become the top exporter of petroleum and natural gas globally.

According to the U.S. Energy Information Administration, fossil fuels accounted for about 81% of U.S. energy production in 2022. Renewables reached their highest production in 2022 and only accounted for 13% of all energy production. More figures from EIA show that renewables received \$15.6 billion of subsidies in fiscal year 2022, compared to \$3.6 billion for fossil fuels. Per the EIA report, renewable energy industries received nearly five times as much in federal subsidies than fossil fuels despite having such a small impact. Renewable projects are also very costly. An article by ENERGYWIRE in September, the Alliance for Clean Energy New York (ACENY) told regulators in June, due to cost, “canceled or delayed projects would drastically derail the schedule for renewable development” and cause the state to miss its mandates under the law.

Eliminating energy poverty should be a goal we all are interested in achieving. In working towards that goal, we need to be mindful of how environmental policies will impact the vulnerable communities that need our support. Radical environmentalists and the Biden Administration like to frame this as a fight against big energy, but all they are really doing is pushing Black Americans and other at-risk communities further into poverty. When the government creates policy, its priority should be the welfare of the people, especially those impacted the hardest. We need a market-oriented energy policy that will allow America to safely keep exploring and developing our own natural resources for a more secure and prosperous future for all Americans.

Thank you.

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Ms. HAGEMAN. Thank you, Mr. Hollie, you are spot on.

The Chair will now recognize Members for 5 minutes of questions. I now recognize Mr. Fulcher for his questioning.

Mr. FULCHER. Thank you, Madam Chair.

And to the panelists, thank you for taking the time and coming to speak to us today, and for your input. And I do learn from the information that our expert witnesses bring, and a number of you I have met before.

Ms. Cha, I don't think we would agree on very much, but one thing we may agree on is geothermal energy.

And to Mr. Jones, I have a question for you. First of all, welcome from my hometown of Boise. And you may be aware, but I am running complementary legislation on expanding geothermal exploration on Federal lands. And I have long believed, in part because of our history in Boise and what has happened there with geothermal energy and working in the capital, which is, as you know, influenced very heavily by that, but it is clean, it is efficient, it is reliable, plentiful, cheap, and a very minor disturbance to the land. So, this is something that I think that we need to continue to espouse.

But in your testimony, Mr. Jones, you referenced that geothermal projects currently take 6 to 8 years in terms of permitting. Not days, not weeks, not months, years. Did I get that right, first of all?

And secondly, why years?

Dr. JONES. Yes. Well, thank you for the question, Representative Fulcher, and it is great to be here and representing Idaho, or being from Idaho.

But yes, you are correct that it can take 6 to 8 years or more for a geothermal project to go from exploration to being in development. Part of that reason is that a geothermal developer has to go through multiple NEPA reviews to get to the development stage. A traditional hydrothermal system will have to go through NEPA to get their first approval for exploration. And then, if they find a promising heat anomaly, they will have to go through a second NEPA process for permitting the drill testing and gradient wells. Then they will have to go through a third NEPA process to drill a slim hole or a confirmation well of that resource. And then a fourth NEPA process to develop the exploration to develop the well field itself. And then a fifth NEPA process to build the power plant. And that doesn't include that if there is a BLM lease auction involved, there is another NEPA review.

So, those several different NEPA reviews cause the length of time that geothermal development has to go through. And NEPA reviews can sometimes last 300 days or 800 days. It depends. So, that is what is preventing geothermal development in the United States.

Mr. FULCHER. Thank you for that. And we do get confronted with that frequently.

But this is a fabulous source, a fabulous source of energy. And for anybody who likes electricity, you have to find something to produce it. And I have yet to find anyone, I will bet even Dr. Cha and my friend from California, Mr. Huffman, that these are things that we can probably circle the wagons on at a time when a lot of other things there is controversy with.

I think I understand some of these things, but I would like you to help me convince maybe some of the others listening here. What are some of the other economic benefits that come along with this, in terms of development, jobs, other ramifications that come as positive geothermal development?

Dr. JONES. Yes, thanks for that question, Representative Fulcher.

Geothermal has an incredible amount of synergies with the oil and gas industry. It requires drilling, it requires subsurface reservoir managers, it requires engineers, geologists. These synergies between the oil and gas workforce and the geothermal workforce are tremendous and deep. We do not have to re-educate a population to bring that workforce into the geothermal industry.

And as I have already mentioned, geothermal has an incredible amount of potential to not just decarbonize the power grid, but also the built environment. We can decarbonize industries that rely on natural gas right now to process dairy or cheese. We can dehydrate vegetables and other produce using geothermal instead of fossil fuels. We can use geothermal to create clean, carbon-free electricity. So, the applications of geothermal are quite vast.

Mr. FULCHER. I thank you for that. Thank you for your expertise.

Madam Chair, I am going to just close by saying that we have a winner here. And I, for one, am promoting spending some time

on the things that we agree on for a change, and this is one of them. I yield back.

Ms. HAGEMAN. Thank you, Mr. Fulcher. The Chair will now recognize the Ranking Member, Ms. Ocasio-Cortez, for 5 minutes of questioning.

Ms. OCASIO-CORTEZ. Thank you, Chair. I agree with my colleagues across the aisle that it is essential for policymakers to take seriously how energy policies are going to affect the energy prices that are faced by everyday Americans.

But, unfortunately, the Energy Poverty Prevention Accountability Act takes a very narrow view of which energy policies and which impacts we should consider. Among other things, this bill requires the Department of the Interior to review energy “activities” to see if these activities would impose disproportionate costs on at-risk communities, or increase the likelihood that at-risk communities will experience energy poverty and job losses. On its face, that seems like something we might agree with. But we should be taking a closer look. In this bill, the following activities would require review.

One, a declaration of a moratorium on the leasing of Federal land for the drilling, mining, or collection of oil, gas, or coal, or related activities. That would require review.

The other thing that requires review is any action that prohibits or delays the issuance of new oil and gas lease sales, or the withdrawal of Federal lands from forms of entry, appropriation, or disposal under the public land or mining laws.

What we are seeing here is that the drafters of this bill make it very clear which industries they are concerned about. They are requiring that these studies are exclusively for activities that would limit oil and gas production or mining, but they don’t really pertain to those that wouldn’t.

Dr. Cha, do you believe that these narrowly-focused studies would provide an accurate assessment of a community’s risk of energy insecurity or poverty?

Dr. CHA. I do not.

Ms. OCASIO-CORTEZ. I also find it interesting that individual fossil fuel or mining project sponsors can request an energy study to show, and I quote, “how the project is likely to alleviate energy poverty in at-risk communities, including by creating jobs, reducing energy prices, or other relevant measures.” So, an individual fossil fuel or mining project can request a study to validate or boost their own project.

Dr. Cha, how could these criteria and this project-by-project approach create a misleading picture of the costs and benefits of extractive projects?

Dr. CHA. Well, I think, first, it does do exactly as you said, Representative, which is project by project, and doesn’t take into account the cumulative impact of all of these projects on a community.

It also only looks at the benefits. It doesn’t look at any externalities that are caused, the air pollution that is caused, the poisoning to land, air, and water for those communities, and it really just paints the most positive view of the fossil fuel project and not taking into consideration also the contribution that it could

have to the climate crisis, which is one of the greatest threats to vulnerable households.

Ms. OCASIO-CORTEZ. So, this isn't even about a cost benefit analysis at all, correct?

Dr. CHA. It is like a benefit analysis.

Ms. OCASIO-CORTEZ. It is just a benefit analysis. So, a fossil fuel company or project can come in and say, tell me all the good things that can happen by me drilling in someone's backyard, but don't talk about any of the polluting that can happen, any of the dumping that can happen, any of the cancer that can be caused in this area, any of the poisoning that can happen on local constituents. Just tell me about the good things. Correct?

Dr. CHA. Exactly.

Ms. OCASIO-CORTEZ. Now, in your opinion, would a project sponsor request this kind of study for their project if they thought there was any chance that the study would reflect poorly on what they are proposing?

Dr. CHA. I can't imagine.

Ms. OCASIO-CORTEZ. So, we have seen over and over again how these unbalanced studies, and I think at this point it is hard to even call it a study because it is not objective, it is not comprehensive, it is really not too far from propaganda at that point, how they over-promise on the benefits of extractive projects, and then they under-estimate or completely neglect harm to local communities, places like Cancer Alley, Asthma Alley, and so on.

Dr. CHA, if you were to design a study to measure how likely a Federal action was to affect energy poverty or insecurity in an at-risk community, what do you think are the most important factors to include?

Dr. CHA. I think one factor that is really missing is time. Something that has a much bigger burden over years than just in a few months. It doesn't look at, as you mentioned, cumulative impacts. It doesn't look at other alternatives that could be proposed, for instance, like energy efficiency or weatherization or other factors that really lead to energy poverty. It really only looks, basically, at what can be the best-case scenario for fossil fuel use.

Ms. OCASIO-CORTEZ. Great, thank you very much.

I yield back.

Ms. HAGEMAN. Thank you. The Chair now recognizes Mr. Graves for 5 minutes of questioning.

Mr. GRAVES. Thank you, Madam Chair. I find the line of questioning and even some of the testimony especially concerning. We have a witness who is advocating that we actually shut down or stop oil and gas production, yet if we look at comments of the International Energy Agency, the Director has stated that the largest reduction in energy history is a result of the United States' transition to natural gas.

So, if the greatest threat to the planet is climate change, and the greatest success in world history is the United States' transition to natural gas, how can those two things co-exist?

Dr. CHA. Are you asking me?

Mr. GRAVES. Yes.

Dr. CHA. Well, I think history is not yet written, so it may have been the greatest—

Mr. GRAVES. Wait a minute, hang on, hold on. History is not written? We have already banked the savings.

Look, you are an Associate Professor. It is just incredibly concerning to me that you are out here teaching the next generation things like this that simply are not true, they are not based upon facts and statistics.

The greatest reduction in emissions have already been banked. The strategies that you are talking about are dream world, they are dream world. What ends up happening—you are sitting there talking about distorted economic considerations, distorted economic considerations.

So, what are we doing? We are taking things like social cost of carbon and factoring it into our cost analysis. Social cost of carbon? What happens when you don't produce energy in the United States?

We have had witnesses—I say this every time—my friends across the aisle continue to repeat this incorrect information. And I want to note, Ranking Member, I submitted for the record a statement from the parishes representing the so-called Cancer Alley refuting the science proving that that statement is wholly incorrect.

But social cost of carbon considerations completely ignores the fact that when we are not producing the energy in the United States, we are getting it from sources that have higher carbon intensity. Do we not care about the planet?

Look, this is math and science. This isn't people's opinions. This is absolutely math and science. And do you know what math and science shows out of this Administration, this Administration? Their EIA energy outlook shows you are going to have an increase in demand for both oil and natural gas globally. So, why would you not produce it in the countries, in the areas that have the lowest carbon intensity, if you are going to have an increase in global demand, if we care about the environment?

It is critically important that as we are moving forward, if we truly care about climate change, and we care about this environment and we care about this planet, that we are moving forward based on decisions that actually make sense.

Mr. Hollie, I appreciate you being here, and I appreciate you citing the fact that when you look at the taxpayer subsidies that are going to companies, noting the total distortion, you have technologies that have been around for 40 and 50 years that we are subsidizing to the tune of \$0.50 on the dollar in some cases, and we are watching, even with those incredible amounts of subsidies, watching prices go up and, as you noted, energy poverty having a profound impact on American families.

Can you talk about basically what you believe a strategy moving forward would make sense in light of, I hope, your sensitivity to climate and the environment, while also being sensitive to energy poverty and the impact this is having on families?

I have read study after study, inability to afford groceries, health care, rental and mortgage payments, and things along those lines.

Mr. HOLLIE. You pretty much said everything right there. But it has been proven.

And like I said in my testimony, we don't have to look any further than back to 2019, when we were energy independent for

the first time, and look at the cost of gas prices and where they were, and people were paying less.

And there was a study done by Shell Crescent USA back in 2019, 2020, I believe it was, where it showed, here it is, right here. "Shell Crescent USA natural gas end users, which include American households, businesses, and manufacturers, and electric power generators, have realized \$1.1 trillion in savings since 2008 as a result of increased natural gas production in the Shell Crescent USA region of Ohio, Pennsylvania, and West Virginia."

So, that study already shows what you are just saying. It has proven what natural gas will do for Americans. It will lower the cost of energy for them.

Mr. GRAVES. Thank you very much.

I want to make note of the October 2023 EIA International Energy Outlook by the Biden administration: 57 percent increase in global oil demand projected, 58 percent increase in global demand for natural gas. Biden administration figures.

We want to talk about social cost of carbon? For every one ton of emissions we have reduced in the United States, China has increased by four.

I yield back, Madam Chair.

Ms. HAGEMAN. Thank you, Mr. Graves.

Ms. OCASIO-CORTEZ. Madam Chair, I have a unanimous consent request.

Ms. HAGEMAN. Yes.

Ms. OCASIO-CORTEZ. I would like to seek unanimous consent to enter this open letter from Secretary Granholm into the record. It details how the Department of Energy is focused on underserved, over-burdened, and front line communities, and making sure that they are receiving economic benefits from the Administration's energy investments.

Ms. HAGEMAN. So ordered.

[The information follows:]

**The Secretary of Energy**

**Washington, DC 20585**

**July 25, 2022**

Dear Department of Energy Stakeholders:

On November 15, 2021, President Joseph R. Biden signed the historic Bipartisan Infrastructure Law (the BIL), kickstarting a once in a generation effort to overhaul our Nation's energy infrastructure and strengthen America's competitive edge in clean energy for years to come. The BIL includes more than \$62 billion for the Department of Energy (DOE) to deliver a more equitable clean energy future for the American people.

DOE has adopted the following priorities for DOE's work, including BIL implementation:

- Modernizing and upgrading American energy infrastructure;
- Driving quality job creation, including the opportunity for good-paying union jobs;
- Delivering reliable, clean, and affordable energy to more Americans as we tackle the climate crisis, pursuing a zero-carbon electricity system by 2035 and a net-zero emission economy by 2050;
- Advancing justice and equity and ensuring stronger economic and environmental benefits for disadvantaged communities;

- Increasing domestic manufacturing and protecting energy supply chains;
- Growing private sector uptake of clean energy technologies through DOE-led demonstration and deployment programs.

As we launch this historic investment in American communities, I want to reiterate a major priority set forth by the Biden Administration that will be integral to our successful implementation of the BIL—Justice40 in line with existing statute.

On January 27, 2021, the White House issued Executive Order 14008 (E.O.), establishing a goal that 40 percent of the overall benefits of certain Federal Government investments, including in climate and clean energy, flow to disadvantaged communities (the Justice40 Initiative). DOE intends to implement the Justice40 Initiative throughout all its BIL efforts, wherever authorized by law, and within well-established DOE programs that fall within the climate and clean energy investment categories covered by Justice40. Together these efforts comprise part of the agency's effort to ensure that communities historically left behind in Federal programs and spending are able to access the benefits of this energy transition. This is how we view energy justice. Our deep commitment to its principles will help to ensure that underserved, overburdened, and frontline communities (disadvantaged communities or DACs) receive transformative benefits as we make investments that will transform our Nation's energy infrastructure.

In April of this year, DOE's Office of Economic Impact and Diversity released the Department's Justice40 framework (<https://www.energy.gov/diversity/justice40-initiative>). The framework identifies Justice40 communities and outlines the agency's approach to the President's transformative initiative, as summarized below.

- **Justice40 Implementation.** Applicants for new funding opportunity announcements (FOA) will be asked to consider how project benefits can flow to DACs. Moreover, FOA applicants will also be asked to articulate how DACs can be meaningfully considered, identified, and benefited in plans submitted to DOE. Funding recipients will also be asked to track and report how these identified benefits flow to DACs. Specific requirements will vary by program, including which Justice40 benefits (see below) are applicable and how DACs are to be identified for purposes of a given program. DOE will provide general guidance on Justice40 implementation, but program-specific funding and guidance documents will be the source for definitive requirements.
- **Identifying Justice40 covered programs.** Today, the Department is releasing a comprehensive list of current programs covered by the Justice40 Initiative. This list was developed by applying the criteria in OMB's Interim Justice 40 Implementation Guidance M-21-28. These programs include new and expanded BIL programs critical to building the energy infrastructure of the future, as well as well-established DOE programs that fall into the categories of climate change, clean energy and energy efficiency, clean transportation, affordable and sustainable housing, training and workforce development (related to climate, natural disasters, environment, clean energy, clean transportation, housing, water and wastewater infrastructure, and legacy pollution reduction, including in energy communities), remediation and reduction of legacy pollution, and critical clean water and waste infrastructure. The list of DOE Justice40 Covered Programs is available at <https://www.energy.gov/diversity/justice40-initiative>.
- **Identifying DACs.** Pursuant to E.O. 14008 and the Office of Management and Budget's Interim Justice40 Implementation Guidance M-21-28, DOE has developed a definition and tools to locate and identify DACs. These resources can be located at <https://energyjustice.egs.anl.gov/>. DOE will also recognize DACs as defined and identified by the White House Council of Environmental Quality's Climate and Economic Justice Screening Tool (CEJST), which can be located at <https://screeningtool.geoplatform.gov/>.
- **Identifying benefits that flow to DACs.** Benefits can be thought of as direct or indirect investments or positive project outcomes—such as job creation or enterprise creation—that flow to DACs. DOE's "General Guidance for Justice40 Implementation" identifies policy priorities the agency sees as critical to advancing an equitable clean energy future, which are: (1) decreasing energy burden; (2) decreasing exposure to environmental hazards and burdens; (3) increasing clean energy jobs, job pipeline, and job training; (4) increasing clean energy enterprise creating and contracting (e.g., minority-owned or disadvantaged business enterprises); (5) increasing energy democracy; (6) increasing access to low-cost capital; (7) increasing parity in clean energy technology access and adoption; and (8) increasing energy resiliency.

Depending on the DOE program or funding, recipients will be asked to consider how certain activities, such as direct dollars invested, stakeholder engagement, jobs and workforce development, energy burden reduction, and the amelioration of environmental harms, can benefit DACs.

Benefits can be highly specific to each project or program, with some categories not relevant depending on the technology or economic sector involved, and we encourage funding applicants to collaborate with Department staff and resources to explore all the ways Federal funding can lift up the communities in our Nation in most need of assistance.

That said, in keeping with principles of energy and environmental justice, DACs should not be identified solely to meet Federal goals, and Federal funding should not create or exacerbate harm to communities.

I am honored to lead this Department through a historic re-investment in our country's energy infrastructure. Justice will serve as our North Star as we fight climate change and bring economic prosperity to our great Nation. I hope you will join us in our efforts to ensure that the benefits of BIL, DOE climate and clean energy programs, and other Federal efforts build a better future for *all* Americans.

Sincerely,

JENNIFER M. GRANHOLM

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Ms. HAGEMAN. The Chair now recognizes Mr. Huffman for 5 minutes of questioning.

Mr. HUFFMAN. Thank you, Madam Chair. Just a little house-keeping before we go further.

Mr. Hollie, it is good to see you again. You have been a frequent flyer at some of our hearings that I have been a part of. And I am naturally wondering, since you have been such a prolific advocate in support of the fossil fuel industry, if maybe we have one of those moments where a witness and perhaps the funder of the witness are on the same panel. Yet, when I looked at your disclosure form for this Committee, the questions about disclosure of funding for your advocacy were unanswered. In each case, it says N/A. So, I wonder if you could just tell me. Do you receive, either wearing the hat of the Energy Poverty Prevention Project or the other advocacy hats that you wear, do you receive fossil fuel industry funding?

Mr. HOLLIE. No, I do not.

Mr. HUFFMAN. Why don't you tell us that? Why don't you complete the form?

Mr. HOLLIE. Because I thought non-applicable meant that no, I do not. But I could say for the record I do not receive any funding from the oil and gas industry. My thoughts and my opinions are what I believe, and what I live every day.

Mr. HUFFMAN. Thank you, sir.

I want to talk about my colleague from Wyoming's bill, because this narrative that our Republican colleagues are suddenly champions for the poor, and trying to address the burdensome costs that they deal with every day, does require one to suspend a bit of disbelief.

But we have seen this pattern, where our colleagues across the aisle were miraculously transformed into champions for NEPA when it was proposed that asylum seekers might seek emergency shelter on National Park Service land. We saw something similar when it comes to the Endangered Species Act and the Marine Mammal Protection Act. When folks are proposing offshore wind

projects, they are suddenly great champions to save the whales. Yet, for the oil and gas industry in the Gulf, they are very happy to watch the Rice's whale proceed further down the path towards extinction.

The common thread in all of these kind of whiplash experiences with our colleagues across the aisle is that whatever serves the interests of Big Oil and Gas is where they go.

Look, energy insecurity is a real problem. The question is, what do we do about it? And we know that there is a suggestion in our colleague from Wyoming's bill that we can drill our way through this problem. The problem is we have done that. We are the No. 1 producer of oil and gas in the world. We are a net exporter. We have achieved fossil fuel energy dominance in a big, big way. Yet, you would think we would have really cheap energy prices if that was the ticket to cheap energy. Obviously, it is not, because the market for fossil fuels is always rigged.

Yet, when Democrats propose things that will get American consumers off of this fossil fuel roller coaster, things like home and building efficiency, weatherization, things like renewable energy, which is not subject to all of the crazy vicissitudes of the fossil fuel market, we have opposition from Republicans every single time.

And, of course, one of the factors driving increased energy costs are high temperatures and climate disasters that are driven by this deadly fossil fuel addiction. And our Republican friends oppose us every single time we try to address that.

So, there are two things that our colleagues across the aisle could do, very specific and effective things that they could do to drive down energy costs. And it would, I guess, be a test of whether they are serious about tackling energy poverty. And Dr. Cha, you mentioned them. It would be a ban on crude oil exports and all of these fracked gas LNG exports that our colleagues across the aisle are so enthusiastic to support. We do it all the time in this Committee.

Am I right? My understanding is all the data suggests that these two specific things would bring down energy costs.

Dr. CHA. Absolutely.

Mr. HUFFMAN. Yet, we won't see our colleagues across the aisle take that obvious step to confront energy poverty because they never go against the fossil fuel industry.

Now, Dr. Cha, what primarily causes big swings in peak demand? Because I understand the state of Wyoming, for example, a place where fossil fuels are king, recently announced that they were raising energy prices, electricity prices, because of problems, not with renewables or climate action or anything like that. They have told us, these utilities themselves, that they are having peak demand problems. What is the cause of that?

Dr. CHA. It is usually extreme weather events like extreme heat or extreme cold.

Mr. HUFFMAN. And what is causing spikes in energy costs for those utilities?

Dr. CHA. The gas market is very volatile. And as global demand for gas rises, most of our gas gets exported.

Mr. HUFFMAN. Thank you, Dr. Cha.

I yield back.

Mr. STAUBER [presiding]. Thank you very much. Next up is Representative Hageman.

Ms. HAGEMAN. Thank you, Mr. Chairman.

Mr. Hollie, you mentioned your work organizing education and outreach campaigns to help accomplish your stated mission, which is to create equal access to affordable and reliable energy for all Americans. Bureaucrats in Washington, DC, however, are trying to tell vulnerable communities, such as the communities you have worked with in the past, what their problems are. They often highlight public health and environmental justice as the main areas of concern when it comes to American energy policy.

Mr. Hollie, in your experience, what are the main concerns of communities facing energy poverty?

Mr. HOLLIE. Thank you, Representative Hageman. I would say the biggest thing in these communities is people just trying to make ends meet. I mean, people are struggling right now. And just speaking to them, when you see the price of gas go down, immediately it has a psychological impact. You know, I have a few more dollars in my wallet to spend. So, like I said, just trying to make ends meet, and just seeing some impact and relief at the pumps.

Ms. HAGEMAN. Well, in your opinion, does the Biden administration share the same priorities as the communities you have worked with in the past?

Mr. HOLLIE. At this point, I would say no.

Ms. HAGEMAN. Dr. Cha, in your testimony you said the bill's specific focus on protecting oil and gas extraction and exploration is counter to combating energy poverty. My bill, however, simply requires that actions taken by the Federal Government to regulate energy, including oil and gas and transmission lines, take energy poverty into account. Understanding the economic impact these regulations have on vulnerable communities is important to them, and it should be important to all of us.

Mr. Hollie, in your opinion, do the communities you have worked with care more about keeping the lights on and furnaces working, or do they care more about eliminating fossil fuels as an energy source?

Mr. HOLLIE. I would say they would be more wanting to keep the lights on in their home, for sure.

Ms. HAGEMAN. And Dr. Cha, you said in your testimony that the two main causes of rising energy prices are over-investment in fossil fuel infrastructure and excessive profits and pay to executives. With all due respect, this claim is extremely out of touch with reality.

The cold, hard fact is that we are experiencing rising energy costs due to a forced energy transition in Wyoming right now, as mentioned by Mr. Huffman. The Federal Government is pumping millions of dollars into green energy projects in our state, and the result has been the highest rate increase proposal we have ever seen, as much as 30 percent.

Fortunately, the Public Service Commission has pushed back against some of the proposed rate increases, but it is no thanks to this Administration. If it were completely up to them, we would be forced to wholly rely on weak, intermittent sources instead of depending on reliable sources such as coal and oil and gas.

Your testimony reminds me of the old adage that government is always trying to fix its last solution. This Administration has adopted energy policy that is intended to increase the cost of energy, and then they want to turn around and provide additional welfare payments to the people who suffer for those policies. That isn't the way that we can keep the lights on or provide the energy that we need.

Ms. Sgamma, in your testimony you mentioned that the market can be destabilized when we eliminate reliable sources and instead dedicate our funding into just a few sources like we did in the so-called Inflation Reduction Act. You said excessive IRA spending that distorts energy markets, confuses American energy policy, and threatens grid reliability. Could you please elaborate on how Federal spending and subsidies distort energy markets and threaten grid reliability?

Ms. SGAMMA. I think we only need to look to California to see how high energy prices are in California.

One of the leaders on green energy policies, Germany, is a great example. Over the last 20 years, they have poured billions, hundreds of billions of dollars, into wind and solar, and they have had to rely more on coal because the energy policy just hasn't worked. They have destabilized their grid.

We are facing the same situation. The FERC commissioners just testified to the destabilization of the grid recently this summer.

So, as we see places like California and Germany put in place more unreliable energy, their prices have gone up. Whereas, I mean, let's talk basic economics, which I haven't heard a lot of on this panel. We, by producing more oil and natural gas and exporting it around the world, we have helped keep prices down, and we have helped keep the lights on in Europe with our LNG exports. Prices are down exactly 64 percent to the day from 20 years ago in natural gas. And we are exporting it abroad, we are producing more of it here, and we have decreased prices considerably.

So, we are not only reducing greenhouse gas emissions, as Mr. Graves pointed out, but we are helping our allies keep the lights on.

Ms. HAGEMAN. And I think another important point to make is that Germany has destroyed their industrial base. And I don't think we want that visited on the American soil.

With that, I yield back. Thank you, Mr. Chairman.

Mr. STAUBER. Thank you very much. Next, Representative Lee, you are up for 5 minutes.

Ms. LEE. Thank you, Mr. Chair and Ranking Member Ocasio-Cortez. I also want to thank our witnesses for being here, and I want to thank Representative Steel for bringing her bill before us this morning, championing an energy resource in geothermal that, despite its immense promise both economically and environmentally, remains largely and shockingly untapped.

Seventeen years ago, a DOE-backed MIT-led panel concluded that most of the key technical requirements to make enhanced geothermal systems work economically over a wide area of the country are already in effect. When a Vox reporter followed up this year with the expert who chaired that panel to ask why surprisingly

little progress has been made on this front, the panel's chair pointed specifically to the continued need for accelerated permitting and licensing of enhanced geothermal projects.

Dr. Jones, does your own experience back up the recent findings of the Congressional Research Service in September 2022 that the permitting process for enhanced geothermal result in development timelines that are longer than any other power production projects?

Dr. JONES. Yes, it does, and geothermal does not have a technology problem, it has a policy problem.

Ms. LEE. And is it your opinion, Dr. Jones, that Representative Steel's bill would help accelerate geothermal development in a way that maximizes the positive impacts for energy and the environment, while minimizing any negative impacts on the ground at development sites?

Dr. JONES. Yes, absolutely.

Ms. LEE. Thank you. Nevada is the nation's second-largest producer of geothermal electricity in the United States, and second only to California. And this Nevadan looks forward to joining my friend from California to make this a bipartisan bill.

Turning quickly to H.R. 6481, Ms. Sgamma, prior to the passage of the Inflation Reduction Act in 2022 how much did it cost speculators to file EOIs nominating Federal lands for oil and gas leasing?

Ms. SGAMMA. Nothing.

Ms. LEE. That is right. The answer is zero, which perversely tracks with the 0.3 percent of Federal lands ever actually leased in Nevada over the last 70 years that have produced oil or gas. The incredibly modest \$5-per-acre nominating fee instituted by the IRA now provides a bare minimum of protection from this kind of unrestrained and unproductive speculation that has long plagued both Nevada's public lands and the American taxpayers who have had to subsidize this wasteful practice.

H.R. 6481 would roll back the progress made in the IRA and reincentivize such speculation, which is why I encourage taxpayer advocates on both sides of the aisle to join me in opposing this bill.

And with that, I yield.

Mr. STAUBER. Thank you very much. Next up, Representative Tiffany from Wisconsin.

Mr. TIFFANY. Yes, thank you very much, Mr. Chairman, and I do want to associate myself with the remarks by Mr. Huffman that all of a sudden Republicans are concerned about energy shortages, the whole energy poverty thing, people being poor as a result of not having abundance of energy, which we should certainly have, and saving the whales. And I associate myself with that because we conservatives that believe in producing energy however we can, we have always wanted to do that.

In particular, I would point out to my friends across the aisle that after oil was found in Pennsylvania, we were able to reduce the amount of whale hunting that went on because the blubber from whales was used in street lamps in the 1800s to light streets, to light homes, and things like that. It was one of the greatest conservation measures for wildlife that we will ever find in the history of the United States of America. By finding oil, we were literally saving the whales. And it continues to this day.

And I really enjoy the term that Mr. Huffman used, "vicissitudes." It is a wonderful word, and he used it in context of the vicissitudes of the marketplace. And should we be subject to that? I would much rather be subject to that than the vicissitudes of a government that is trying to decrease the amount of energy that we produce in America.

Dr. Cha, is it better for Western Europe to get their gas from us or Russia?

Dr. CHA. I think it is better for Americans to have their energy bills lowered using American gas.

Mr. TIFFANY. Do you think it is better for Western Europe to get their gas from us or from Russia?

Dr. CHA. I don't have the expertise to answer that question, but I do have the expertise to know that it is better for American energy prices to decrease for utility customers.

Mr. TIFFANY. I appreciate you saying that you don't have the expertise. I hope the young people that you are teaching out there in California—that you do become knowledgeable on that because it is an important component when we talk about how we produce energy and how important it is to have affordable energy for people, in particular for the poorest out there.

Mr. Hollie, Representative Hageman brought up the subject of welfare payments. In your testimony, you talked about subsidies for unreliable and intermittent renewable energy. If those subsidies were eliminated, do you think those renewable energy projects would be profitable? Would they even be built?

Mr. HOLLIE. They wouldn't be built, would not exist. It could not happen without the subsidies.

Mr. TIFFANY. Why is that?

Mr. HOLLIE. Because they need the subsidies to work. And in a free market, if the renewables were that good, they should be able to stand on their own without the subsidies.

Mr. TIFFANY. So, for example, not only are we paying more for the electricity that is produced by wind and solar, but the taxpayers are on the hook for that also. Is this correct?

Mr. HOLLIE. Yes, sir. Yes, they are.

Mr. TIFFANY. And would that be contributing to our national debt, which exceeds over \$33 trillion now?

Mr. HOLLIE. Yes, sir. It would.

Mr. TIFFANY. So, we are getting it both ways as Americans. Is that right?

Mr. HOLLIE. That is correct.

Mr. TIFFANY. Ms. Sgamma, it is good to see you back here. You mentioned in regards to the IRA that both industry experts as well as the Bureau of Land Management were not consulted in regards to the IRA. What impact is that having? What impact did that have in the writing of that bill by not doing proper consultation with people who knew what was going on?

I believe you stated in here the Bureau of Land Management said there were a lot of technical parts of how this will be implemented that were not thought through thoroughly. Is that somewhat accurate, that characterization?

Ms. SGAMMA. Yes. BLM has mentioned to me several times, and I think even in testimony, that they are struggling to implement some of those provisions.

Mr. TIFFANY. Ms. Sgamma, if we reduce fossil fuels—I believe it was back in the Obama administration, they cited by the reduction of fossil fuels, how much temperatures would decline. Do you recall what that number was?

Ms. SGAMMA. No, but I know that our climate envoy, John Kerry, has said many times that we could eliminate all greenhouse gas emissions from the United States and it would make no difference to climate change.

Mr. TIFFANY. Or certainly de minimis. Is that correct?

Ms. SGAMMA. It is 0.00 whatever percent or degree of Celsius.

Mr. TIFFANY. So, we could shut down affordable energy here in America, and it will do nothing on the issue that is before us.

Are we going to destroy the climate? We will not destroy the climate as a result of the reduction of fossil fuels. So, let's produce and have prosperity, because this has always been at the heart of American success, hasn't it, is having affordable energy.

I yield back, Mr. Chairman.

Mr. STAUBER. Thanks for your testimony and comments. Representative Kamlager-Dove, you are up for 5 minutes.

Ms. KAMLAGER-DOVE. Thank you, Mr. Chair.

Mr. Hollie, I share your concerns about energy poverty, because no one should have to choose between paying their energy bills and essentials like paying for food, child care, health care, job training, affordable housing, WIC, SNAP, climate-resilient construction, all programs that Republicans have been trying to cut. No one should have to choose between those things or have to keep their homes at unsafe temperatures because their bills are too high or their energy is unreliable.

But I do disagree that the legislation we are discussing today will help our most vulnerable communities. Contrary to the assumptions in H.R. 5482, fossil fuels are not the most cost-effective option for a lot of American bill-payers. Mr. Hollie, are you aware that the Chief Financial Officer of Southern Company, one of the largest utilities in the United States, recently called solar the most viable technology for the Southeast?

Mr. HOLLIE. No, I was not aware that he said that.

Ms. KAMLAGER-DOVE. Are you aware that Georgia Power, a subsidiary of Southern Company, has reported that solar is the most cost-effective energy resource addition available in Georgia?

Mr. HOLLIE. I don't see how, but I am not aware of that, either.

Ms. KAMLAGER-DOVE. OK. Are you aware that efforts to support a household in reducing its dependence on the electricity grid are often the most cost-effective energy resource when compared to energy supply-side investments?

Mr. HOLLIE. When you utilize natural gas, I can see how it could be more effective.

Ms. KAMLAGER-DOVE. OK. Are you aware that there are dozens of existing Federal programs to offer relief from energy burdens?

Mr. HOLLIE. Yes.

Ms. KAMLAGER-DOVE. OK.

Mr. HOLLIE. But I don't think they make a difference.

Ms. KAMPLAGER-DOVE. Do you support these Federal programs?

Mr. HOLLIE. Sure, if they are going to make a difference, but they haven't proven to make a difference.

Ms. KAMPLAGER-DOVE. Or do you only support policies to protect the fossil fuel industry?

Mr. HOLLIE. I support any policy that is going to reduce energy for Americans.

Ms. KAMPLAGER-DOVE. OK, including Federal programs that offer relief from energy burdens?

Mr. HOLLIE. Absolutely.

Ms. KAMPLAGER-DOVE. OK, great. Because, unfortunately, my colleagues across the aisle have been aiming to defund some of these very programs. And we also know that there are many costs associated with fossil fuel energy that aren't reflected in the utility bills that we pay. These costs fall disproportionately on low-income communities and communities of color.

So, Mr. Hollie, a question for you. It is a yes or no answer. Does the proposed legislation take into account climate impacts from fossil fuel development?

Mr. HOLLIE. I don't think it does.

Ms. KAMPLAGER-DOVE. OK. Another yes or no question, does the proposed legislation take into account the disproportionate health impacts and health costs associated with increased fossil fuel production?

Mr. HOLLIE. I think it would, yes.

Ms. KAMPLAGER-DOVE. You think it does?

Mr. HOLLIE. I think it would.

Ms. KAMPLAGER-DOVE. I look through the legislation. I couldn't find that. And coming from my district, which has one of the largest urban oil fields in the country, I can tell you that my communities that are in close proximity to the oil field suffered disproportionately around issues of asthma, cancers, respiratory illnesses. And I have never seen any of those things discussed in this Committee in legislation around increased fossil fuel production. Those issues cannot be separated for my constituents at all when it comes to energy production and also energy poverty.

Mr. Chair, I ask unanimous consent to enter into the record this report from the Guardian from July 2023, entitled, "We can't escape: climate crisis is driving up the cost of living in the US west."

Mr. STAUBER. Without objection.

[The information follows:]

**'We can't escape': climate crisis is driving up cost of living in the US west**

*The Guardian*, July 21, 2023 by Maanvi Singh

<https://www.theguardian.com/us-news/2023/jul/21/climate-crisis-cost-of-living-energy-water-california#:~:text=11%20months%20old-,%20We%20can't%20escape'%3A%20climate%20crisis%20is%20driving,living%20in%20the%20US%20west&text=Minerva%20Contreras%20can't%20keep,costs%20rose%20to%20about%20%24500.>

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Extreme weather, fueled by global heating, is affecting energy, water, insurance premiums and food and housing costs. Minerva Contreras can't keep up with the bills.



Pedestrian uses an umbrella to shield themselves from the sun while walking past power lines in California. Photograph: Frederic J Brown/AFP/Getty Images

Recently, after a series of extreme heatwaves in California forced her family to run the AC, her monthly electricity costs rose to about \$500. Her water bill averages around \$100, but because the water is contaminated with pesticides from nearby agricultural fields, her family spends an additional \$140 each month to purchase jugs of drinking water. Her grocery bills have gone up as well, after a spate of winter storms disrupted harvests across the state.

“Practically, about one week’s paycheck goes toward rent, the next week’s toward the electrical bill, and the third week’s toward the gas and water bills and the remaining for everything else,” said Contreras, a farm worker who lives with her husband and two children in the small, agricultural town of Lamont. “We just can’t keep up.”

Here, in what is already one of the most expensive states in the US, the climate emergency is driving up the cost of living. Extreme weather, drought and drastic swings in temperature, all fueled by global heating, are affecting utility costs and insurance premiums, exacerbating housing shortages and causing food prices to go up.

These issues are echoed throughout the US and the globe, as relentless heat and smoke pollution from wildfires push communities across the southern US, Europe and Asia to their limits. The health and economic impacts of the spate of extreme weather will become clearer in the months to come.

But in California, the cost imposed by the disquieting recurrence of climate-related disasters that more and more countries are faced with have already become untenable for many. Nearly half of the state’s residents say they struggle to save money or pay for unexpected expenses, according to a recent poll by a consortium of local non-profits. Many families are just one fire or flood away from financial ruin.

“We don’t see a future here, and it’s a shame we can’t escape either,” Contreras said. “Where would we go?”

#### **‘We put up with a lot of heat’**

As temperatures in Lamont this week topped 113F (45C), Contreras worried about how much her family might have to run the AC. “We are usually very careful and try not to,” she said. “We put up with a lot of heat before we turn it on.”

Each summer for the past few years, Contreras’s family has fallen behind on their electricity bills. Each year, they sign up for repayment plans and manage to pay down their arrears by February or March, only to fall behind again as the warmer season begins.

Her family is not alone. California residents are increasingly facing higher electricity prices, at a time when extreme weather is making energy demands go up. Utility rates in the state are already among the highest in the US, with California’s Public Utilities Commission (CPUC) finding that since 2013, rate increases have outpaced inflation.

One major reason is that electricity companies have faced increasing wildfire mitigation expenses like clearing vegetation around power lines and higher wildfire insurance costs and they have passed the charge on to consumers. Meanwhile, utility companies such as PG&E have also been allowed to pass on the liability costs of sparking some of the state's most destructive wildfires.

For many households, the price increases mean dire choices, said Michael Méndez, assistant professor of environmental planning and policy at the University of California, Irvine. A survey by researchers at Columbia University found that nearly 30% of households in California kept their homes at a temperature that was unhealthy or unsafe to save on energy costs. "When you overlay existing social, economic and health disparities with climate change and extreme weather, that exacerbates inequalities," Méndez said.

"People are not only facing a rise in costs, but also increased variability in costs," said Alan Barreca, a professor at the Institute of the Environment & Sustainability at UCLA.



San Bernardino county firefighter wipes his head as the Oak Fire burns near Fontana, California. Photograph: David Swanson/AFP/Getty Images

Barreca and his colleagues have found that for each August day when the temperature was 95F or higher, the chance that a low-income family would fall behind on bills and have their power disconnected increased by 1.2%.

A new proposal to adjust electricity fees based on their income could help, Barreca said. Researchers and advocacy groups have also proposed offering adjusted rates and discounted electricity during extreme weather events and establishing a rental right to cooling.

#### **High water costs 'deepening the inequities'**

Climate change is taxing the water supply as well as the electrical grid. One in eight households across California are behind on their water bills, owing about \$1bn altogether, as cycles of lengthy drought dwindle water supplies. A survey by the state's water board found that households in predominantly Black and Latino neighborhoods were more likely to be in arrears.

"With water, the existing system was already not working," said Rachel Cleetus, a climate and energy program director at the Union of Concerned Scientists, a science advocacy organization. "And now it's really falling apart in the face of the pressures from climate change."

Due to a complex and outdated water rights system that in many areas favors big agriculture over communities and ageing, ailing infrastructure, many of the state's poor and rural communities have struggled to access adequate drinking water, she said. Then, in recent years, long stretches of drought have caused shortages and spiked prices. Wildfires and a series of catastrophic floods this winter have caused further complications, tainting water supplies and damaging critical infrastructure.



Floodwaters after a very wet winter destroyed crops and fields in California. Photograph: Caroline Brehman/EPA

Contreras and her family, who have lived in Lamont for about 12 years, have been informed year after year that the stuff coming out of their taps isn't safe for consumption due to a legacy of pesticide pollution seeped in the groundwater system. In other parts of the Central valley, chronic overpumping has depleted water, and left homeowners with dry wells. Hundreds of families in the San Joaquin valley continue to receive water deliveries by truck, despite a winter of record-setting precipitation.

"California already has a huge challenge with inequity," said Cleetus. "It has a high poverty rate. There's already an affordable housing crisis in the state. And these kinds of climate risks are just adding an additional layer of risk, and deepening the inequities."

#### **'Felt really vulnerable about losing my home'**

In the small, rural town of Midpines, at the south-western edge of Yosemite national park, Beth Pratt says she has seen the climate crisis reshape her community. Last year, the explosive Oak Fire burned nearly 100 homes here.

"In my work as a conservationist, I advocate for wildlife who are threatened because of climate change. Now we're starting to feel that same vulnerability," said Pratt, who is the regional executive director of the National Wildlife Federation. "This is the first time I felt really vulnerable about losing my home."

Last month, the state's largest property insurance companies—Allstate and State Farm—announced that they will no longer sell new policies in California, citing the growing risk of catastrophes. The news came as renters and homeowners across the state were quietly dropped by insurance companies, or were facing unaffordable premiums.

This month, not long after Allstate announced it would halt new policies in the state, Pratt got notice that the company would not be renewing her existing policy.



A collapsed house in Rolling Hills Estates in Los Angeles, California. Photograph: Étienne Laurent/EPA

That was despite the fact that Pratt had spent about \$100,000 to harden her home against fire. She invested in fire-rated metal siding for the house, redid her redwood decks in ember-resistant laminate and metal railings. She purchased a 2,500-gallon tank with a fire hose hookup, and this year, she spent \$10,000 to hire a crew to clear trees and overgrowth.

When the letter from Allstate came, telling her that even all that was not enough to keep her home insured, Pratt was flabbergasted. “I mean, \$100,000 is not something the average person has,” she said. “I don’t really have it—on a non-profit salary. I had to refinance my mortgage to afford this.”

Most of her neighbors are facing the same issue, she said—they’ve either lost their insurance already, or expect to lose it soon. After the record-breaking 2020 fire season, the number of Californians who were told by their insurer that their policy wouldn’t be renewed increased by about 30%.

The only remaining option for Pratt and her neighbors is the state’s Fair plan, a limited insurance plan for those who cannot find coverage through a private company. It will cost Pratt double what she was paying Allstate.

Moving and buying elsewhere isn’t financially feasible—and besides, Pratt said, she’s lived in this small community for 25 years. “We can’t just move away from the climate crisis.”

#### **‘Everywhere in California is the same’**

In fact, many poor and middle-class families are being forced to move to areas that are feeling the impact of climate crisis more intensely. “The housing affordability crisis in California is pushing people out of cities and increasingly out, into locales with a higher risk for extreme heat, higher risk for drought and wildfires,” said Méndez.

In the towns of Planada and Pajaro, farm workers without flood insurance or access to unemployment aid saw their homes and life savings wiped out by floods this winter. Aid from the Federal Emergency Management Agency (FEMA) wasn’t enough to cover the cost of materials, let alone labour, to rebuild.



Vehicles and homes engulfed by floodwaters in Pajaro, California, in March 2023. Photograph: Josh Edelson/AFP/Getty Images

Agricultural workers in the central coast and Central valley, who harvest the bulk of produce grown in the state and in the country, were out of work for weeks. Planted fields of summer fruit were wiped out and shortages drove up already inflated grocery prices this year.

In Lamont, where daily highs are predicted to remain above 100F (37.7C) through the end of the month, the Contreras family has resigned to another year of debt. Because it is unsafe to work in the fields after 11am on most days, Contreras's husband has had his work hours cut. Normally he would pick up extra work in the tangerine or grape fields, but the weather has disrupted those harvests as well.

Recently, the family had to sign up for a second repayment plan for their electrical bills. "It's depressing," Contreras said. "The bills just keep accumulating."

The family thinks about moving, but can't think of where they could live affordably. "Everywhere in California, we see that it's the same," she said.

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Ms. KAMLAGER-DOVE. Thank you. And I quote, "Extreme weather, fueled by global heating, is affecting energy, water, insurance premiums, and food, and housing costs."

So, we must and are entirely capable of addressing these issues together, all at once. And the false advertising that is H.R. 5482 falls far short.

With that, Mr. Chair, I yield back.

Mr. STAUBER. Thank you very much. I will now recognize myself for 5 minutes of questioning. But before I do, I do want to make a statement.

My friend and colleague, Ranking Member Ocasio-Cortez, states this, the energy poverty bill, only supports one industry. I want the Ranking Member to know it supports all energy projects, including transmissions. And that is on page 13 of the bill itself. So, all energy projects are included in this.

Ms. Sgamma, in May and June of this year, BLM held lease sales in New Mexico and North Dakota, respectively. In the New Mexico lease sale, the BLM offered 45 parcels, 37 of which were nominated. When the lease sale occurred, the only parcels receiving bids were those that were nominated. In North Dakota, the BLM offered 32 parcels, 14 of which were nominated, and it was the same story. All of the nominated parcels were bid on, and the parcels that weren't nominated were completely ignored.

Are you seeing this as a trend by the BLM, in that they are offering a lot of non-nominated acreage?

Ms. SGAMMA. BLM is playing games with how the numbers of leases are counted, and that is because of another, I think, worthy provision of IRA, which was Senator Manchin's intention of all-of-the-above energy. And he tied wind and solar permitting to oil and natural gas leasing. A minimum number of nominations, minimum acreage requirements brought to sale were required before wind or solar permit could be issued. And as a result, BLM is trying to pad its numbers with acreage that nobody wants so that they can say it was offered.

Mr. STAUBER. Well, where are these parcels coming from, if they aren't nominated by the operators?

Ms. SGAMMA. BLM just moves forward with them.

Mr. STAUBER. What kind of impact is that having on lease sales with respect to revenues generated?

Ms. SGAMMA. Well, it doesn't return anything. There is no nomination fee, there are no royalties that result, there is no leasing revenue that results. So, it is just playing games with the numbers.

Mr. STAUBER. And how will these lackluster lease sales impact energy prices long term, and how will that impact energy poverty?

Ms. SGAMMA. Well, it does nothing for reducing energy poverty.

Mr. STAUBER. Thank you.

Dr. Jones, you mentioned in your testimony a geothermal project can be subject to six rounds of NEPA reviews. Why is that the case for a single project?

Dr. JONES. It is because there are several different stages of a geothermal development project: exploration, then you have to confirm the resource, then you have to drill the production well, and the monitoring wells. And each of those steps requires a full NEPA review.

Mr. STAUBER. So, the bill before us today would expedite the NEPA process for drilling geothermal wells, but wouldn't impact the NEPA process for leasing. Is that correct?

Dr. JONES. That is correct.

Mr. STAUBER. So, the agencies will still do a full NEPA review, even before using a categorical exclusion, correct?

Dr. JONES. That is correct.

Mr. STAUBER. Thank you. In my view, this is a common-sense approach we should be using for all forms of energy. It doesn't make sense to be completing the same work time and time again.

Mr. Hollie, earlier in your career you served as the Office of Small and Disadvantaged Business Utilization at the U.S. Department of Transportation, working closely with small and minority-owned businesses across our country. Can you share how small and minority-owned businesses benefit from a robust, thriving U.S. energy industry?

Mr. HOLLIE. Yes, sir. I met with small businesses just last week, and a number of them complain about rising cost of energy. So, if we can reduce the price of energy for all Americans, business owners alike, they will see an increase in their wallets.

Mr. STAUBER. And what you are saying is those businesses that aren't directly involved in the energy sector also gain from a robust—

Mr. HOLLIE. Yes, sir. I am talking about automotive, people who work on cars, who run restaurants. Everyone benefits from lower-cost energy.

Mr. STAUBER. Thank you.

Dr. Cha, real quick, my colleague asked you about not exporting oil to keep in the United States. Is that nationalizing the oil and gas industry?

Dr. CHA. It is repealing the export ban, repealing the—

Mr. STAUBER. What is that?

Dr. CHA. Repealing the repeal of reinstating the export ban.

Mr. STAUBER. OK. So, what I heard you say is that keeping the oil and gas within the United States is going to help the United States in the energy sector reduce the cost of energy. Is that correct?

Dr. CHA. That is correct.

Mr. STAUBER. OK. Would you have that same mindset when it comes to critical minerals?

Dr. CHA. [No response.]

Mr. STAUBER. Would you rather mine the critical minerals, process the critical minerals that we have in this country versus going overseas and using child slave labor for the minerals? Does that logic follow in critical mineral mining?

Dr. CHA. I think there are different issues that—

Mr. STAUBER. How so?

Dr. CHA. Well, I think with critical mineral mining, the question is how much mining do we need to meet our energy transition needs.

Mr. STAUBER. And how much do you think we need?

Dr. CHA. It depends on how our policies are developed. But if we switch to public transportation versus individual car use, for instance, we would need less.

Mr. STAUBER. I do agree with you, it depends on the policy. And this Administration's policy on mining, critical mineral mining, is anywhere but America, any worker but the American worker.

My time is up, and I yield to Representative Duarte for 5 minutes.

Mr. DUARTE. Thank you, Mr. Chairman, I appreciate it.

Mr. Hollie, help me out here, please. I represent a very low-income, Voting Rights Act district, Hispanic mainly, in the Central Valley of California. A great part of my district is served by PG&E, although we don't, God forbid, explore much oil in California anymore, or natural gas to our potentials.

We still have, my constituents, paying \$0.57 a kilowatt hour for electricity during the peak summer rates. Is this high? Is that a lot?

Mr. HOLLIE. Yes.

Mr. DUARTE. I think it is the highest in the nation. If you look at California, and even still, PG&E isn't keeping up with capital needs. You can't get a new panel hooked up. In one town of my district, Madera, you can't hook up any new panel to create jobs, to create manufacturing, housing. The system is tapped out.

But nonetheless, these low-income renters, these low-income families in the Central Valley, they must not be dialed in to the Federal benefits. Because when I was campaigning and knocking

on doors in the neighborhoods, their screen doors were closed and their main door to the home was wide open in 105 degree afternoons. These families are ventilating their homes with natural ventilation from the outside. They can't afford to run the air conditioner. They can't afford to run even a swamp cooler because of electric rates in this area.

Now, this is my perception, you can tell me if I have this right or not—over on the coast we have fairly moderate temperatures. We have relatively higher-income folks. And at the highest of those income folks we have solar panels and lots of green energy taking these households off the grid, not sharing in the overhead cost of PG&E, not sharing in the legacy costs of infrastructure, the general repair. That is all baked into the \$0.50 per kilowatt hour. And they are fine, they are fine. Do I have that right?

Mr. HOLLIE. Yes, you absolutely have it right.

Mr. DUARTE. OK, because it sounds unbelievable that we would put these costs of green energy on the lowest-income families in the warmest environment in the state, and then underserve those environments with lack of infrastructure, lack of capacity to expand job opportunities. If they all did want to run their air conditioner, I doubt we could even support that.

Mr. HOLLIE. Right, exactly. I agree.

Mr. DUARTE. So, Dr. Cha next to you talks about we must reintroduce the ban on oil exports and expand to increase a ban on fracked gas exports to keep oil and gas extracted in the United States in the United States.

And Ms. Sgamma, you can answer this also. Are Dr. Cha and her friends, are they reaching out to you and saying, great, let's build more pipelines, let's get more logistics solutions, let's move this energy around the United States more efficiently, more effectively, so that we can keep it here on the continental United States and not export it to our friends abroad? Let them buy Russian, or Iranian, or Venezuelan. We can keep this right here. Let's build the infrastructure to do that. Are you getting partnerships from the left and overtures to increase that infrastructure?

Ms. SGAMMA. No, but I don't think we are talking basic economics here when we say ban exports. Besides the nationalization and the socialization of energy that that involves, I mean, we don't ban other exports of other products. It is simply bad economics.

By reducing the price of oil globally, we help keep costs lower here in the United States. Not in California, because they distort their energy markets there, and you are paying over \$6 a gallon in California.

Mr. DUARTE. So, as a farmer, I don't have to worry about keeping all of our Ag product here locally to fight food inflation, or keeping all of our manufactured product here.

Ms. SGAMMA. Right, we don't nationalize industries in the United States.

Mr. DUARTE. We are not going to just keep it all here, even though here, if you talk about agricultural products, we do in a general way, most of the time, have the ports, and the roads, and the railroads. But here in America, we don't even have close to the infrastructure we need to keep our domestic energy production here.

I mean, we exported 9.5 billion barrels of oil, or 9.5 million barrels of oil a day, and we are importing 8.33 million barrels of oil a day. Some of that is just a logistics solution, is it not?

Dr. Cha, we are talking about your work here, please chime in. Let me know where I have this wrong, please.

Dr. CHA. Well, oil exports were banned up until 2015, so we do have the infrastructure to keep the oil in the country.

Mr. DUARTE. Then why are we building pipelines, or at least fighting over building pipelines?

Dr. CHA. Yes, I would agree that we shouldn't build any more pipelines.

Mr. DUARTE. So, we should not build pipelines, but we should keep our oil and energy resources here domestically?

Dr. CHA. It worked until 2015, yes.

Mr. DUARTE. Thank you. I yield back.

Mr. STAUBER. Thank you very much.

Ms. OCASIO-CORTEZ. Mr. Chair, I have a unanimous consent request.

Mr. STAUBER. Yes, go ahead.

Ms. OCASIO-CORTEZ. Thank you. Since my comments were invoked earlier, I would like to just resubmit section 5 on page 10. While all projects can request the optional study, the only ones that are subject to the mandatory studies are activities that could potentially slow or prevent fossil fuel development.

So, to clarify and provide evidence for my assertions to the record, I would like to resubmit that section. Thank you.

Mr. STAUBER. Without objection.

[The information follows:]

1 an estimate of how the bill or resolution will affect the  
2 cost of energy for at-risk communities.

3 (b) ENERGY POVERTY STUDY REQUIRED FOR CER-  
4 TAIN EXECUTIVE ACTIVITIES.—

5 (1) DEFINITIONS.—In this subsection:

6 (A) ACTIVITY.—The term “activity”  
7 means—

8 (i) a declaration of a moratorium on  
9 the leasing of Federal land for the drilling,  
10 mining, or collection of oil, gas, or coal, or  
11 related activities unless such moratorium is  
12 authorized by Federal statute; or

13 (ii) an action (including non-action  
14 with respect to an action directed to be  
15 carried out by statute or regulation) that  
16 prohibits or delays, with respect to Federal  
17 land—

18 (I) the issuance of—

19 (aa) new oil and gas lease  
20 sales, oil and gas leases, drill per-  
21 mits, or associated approvals, or  
22 authorizations of any kind associ-  
23 ated with oil and gas leases;

24 (bb) new coal leases (includ-  
25 ing leases by application in proc-

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1           ess, renewals, modifications, or  
2           expansions of existing leases),  
3           permits, approvals, or authoriza-  
4           tions;

5           (cc) new mineral patents,  
6           leases, claims, permits, approvals,  
7           or authorizations; or

8           (II) a withdrawal of Federal land  
9           from—

10           (aa) forms of entry, appro-  
11           priation, or disposal under the  
12           public land laws;

13           (bb) location, entry, and  
14           patent under the mining laws; or

15           (cc) disposition under laws  
16           pertaining to mineral and geo-  
17           thermal leasing or mineral mate-  
18           rials.

19           (B) DESIGNEE OF THE PRESIDENT.—The  
20           term “designee of the President” means—

21           (i) the Secretary of Agriculture;

22           (ii) the Secretary of Energy;

23           (iii) the Secretary of the Interior; and

24           (iv) the Administrator of the Environ-  
25           mental Protection Agency.

1 (C) MINERAL.—The term “mineral”  
2 means any mineral subject to sections 2319  
3 through 2344 of the Revised Statutes (com-  
4 monly known as the “Mining Law of 1872”  
5 (30 U.S.C. 22 et seq.), and minerals located on  
6 lands acquired by the United States (as defined  
7 in section 2 of the Mineral Leasing Act for Ac-  
8 quired Lands (30 U.S.C. 351)).

9 (2) ACTIVITY TO BE CARRIED OUT.—Notwith-  
10 standing any other provision of law, the President,  
11 or a designee of the President, may carry out an ac-  
12 tivity only if the Secretary of the Interior has ful-  
13 filled the activity requirements described in para-  
14 graph (3) for that activity.

15 (3) ACTIVITY REQUIREMENTS.—For each activ-  
16 ity, the Secretary of the Interior shall—

17 (A) conduct a study to determine if the ac-  
18 tivity, relative to the general population, is like-  
19 ly to—

20 (i) impose disproportionate costs on  
21 at-risk communities; or

22 (ii) increase the likelihood that at-risk  
23 communities will experience energy poverty  
24 and job losses;

1 (B) publish the study on a public website  
2 of the Department of the Interior; and

3 (C) submit to Congress a report on the  
4 study that describes the study findings under  
5 subparagraph (A).

6 (4) ENERGY POVERTY STUDY.—

7 (A) IN GENERAL.—On request by an entity  
8 described in subparagraph (B), a lead agency  
9 responsible for leasing or permitting an energy  
10 or mineral development project, pipeline project,  
11 or transmission project on Federal land, in con-  
12 sultation with another agency with jurisdiction  
13 over that project, shall conduct a study relating  
14 to how the project is likely to alleviate energy  
15 poverty in at-risk communities, including by—

16 (i) creating jobs;

17 (ii) reducing energy prices; and

18 (iii) other relevant measures as deter-  
19 mined by the lead agency, or the entity re-  
20 questing the study.

21 (B) STUDY REQUEST.—An entity spon-  
22 soring an energy or mineral project, pipeline  
23 project, or transmission project on Federal land  
24 may request a study for that project pursuant  
25 to subparagraph (A).

Mr. STAUBER. I thank the witnesses for their valuable testimony and the Members for their good questions.

The members of the Subcommittee may have some additional questions for the witnesses, and we will ask you to respond to these in writing. Under Committee Rule 3, members of the Committee must submit questions to the Committee Clerk by 5 p.m. on Friday, December 15. The hearing record will be held open for 10 business days for these purposes.

If there is no further business, without objection, the Committee stands adjourned.

[Whereupon, at 12:05 p.m., the Subcommittee was adjourned.]

[ADDITIONAL MATERIALS SUBMITTED FOR THE RECORD]

**Statement for the Record**  
**Bureau of Land Management**  
**U.S. Department of the Interior**  
**on H.R. 5482, H.R. 6474, and H.R. 6481**

Thank you for the opportunity to provide this Statement for the Record on H.R. 5482, the Energy Poverty Prevention and Accountability Act; H.R. 6474, regarding Sec. 390 categorical exclusions for geothermal development; and H.R. 6481, regarding refundable expression of interest fees.

**Background**

The Bureau of Land Management (BLM) manages approximately 245 million surface acres, located primarily in 12 western states, as well as 30 percent of the nation's onshore mineral resources across 700 million subsurface acres, overlain by properties managed by other Federal agencies such as the Department of Defense and the U.S. Forest Service (USFS), as well state and private lands.

The Federal Land Policy and Management Act of 1976 (FLPMA) provided the BLM with the multiple use and sustained yield mandate that guides all of the BLM's land management decisions. Driven by that mandate established by FLPMA, the BLM sustains the health, diversity, and productivity of the nation's public lands for multiple uses, such as conventional and renewable energy development; livestock grazing; conservation; mining; watershed protection; hunting, fishing, and other forms of recreation, and more. This enables the BLM to contribute tremendously to economic growth, job creation, and domestic energy production, while generating revenues for Federal and State treasuries and local economies and allowing for a thoughtful and balanced approach to management of our public lands.

**H.R. 5482, Energy Poverty Prevention and Accountability Act**

H.R. 5482 directs various Federal agencies to conduct reviews of Federal energy laws and regulations, as well as proposed energy projects and state renewable energy portfolio standards, to evaluate their impacts on energy access for at-risk communities. In addition, the bill requires the Comptroller General of the United States, in consultation with each relevant agency, to develop criteria to determine whether an at-risk community is experiencing "energy poverty", which is defined in the bill as "a condition in which individuals do not have access to affordable and reliable energy to maintain economic security." The bill also requires a study by the Secretary of the Interior before undertaking or not undertaking certain energy related actions (including conducting leasing and permitting or making withdrawals of Federal land, among other activities) to determine if the activity would impose disproportionate costs on at-risk communities or increase the likelihood that they will experience energy poverty and job losses. Additionally, H.R. 5482 would allow entities sponsoring certain energy related projects on Federal land to request the lead agency conduct a study on how the applicant's proposal would create jobs and reduce energy prices.

*Analysis*

The BLM recognizes the importance of affordable and reliable energy to our national and economic security. The BLM supports the Sponsor's goal of mitigating the disparate impact of energy costs to at-risk communities. However, the studies required by the bill, including those that could be requested by an applicant or entity sponsoring a project, would add another layer of complexity to the existing processes, create duplicate analysis requirements, make it difficult to predict timelines for project reviews and permitting, and potentially delay completion of authorizations for energy-related projects. The BLM also notes that the National Environmental Policy Act already requires the analysis of a variety of impacts, both beneficial and adverse. For these reasons, the BLM cannot support the bill.

**H.R. 6474, Regarding Sec. 390 Categorical Exclusions for Geothermal Development**

H.R. 6474 proposes to amend Section 390 of the Energy Policy Act of 2005 (EPA 2005), which established five categorical exclusions (CXs) for oil and gas, known as Section 390 CXs, to include exploration or development of geothermal resources.

*Analysis*

CXs are categories of actions that Federal agencies have determined do not have a significant effect on the quality of the human environment (individually or cumulatively) and for which neither an EA nor an EIS is required to comply with NEPA (40 CFR 1508.4). Although eligible actions may not require an EA or EIS, a CX is not an exemption from NEPA requirements. Section 390 CXs apply only to oil and gas exploration and development pursuant to the Mineral Leasing Act. Other procedural requirements still apply to Section 390 CXs, such as consultation under the Endangered Species Act and National Historic Preservation Act.

The BLM does not anticipate that the Section 390 CXs would offer significant benefits in improving processing times for geothermal projects, as there are considerable inherent differences between geothermal and oil and gas production processes. Currently, the BLM is working on administratively establishing CXs specifically for geothermal development, and these CXs will be more applicable to the geothermal process than the oil and gas-focused Section 390 CXs, which the bill would amend. Additionally, the BLM generally believes that new CXs are better developed through the traditional administrative process than through legislation. As such, the BLM does not support H.R. 6474.

**H.R. 6481, Regarding Refundable Expressions of Interest Fees**

H.R. 6481 requires the Secretary of the Interior to reimburse the fee for an expression of interest (EOI) if the EOI becomes inactive. The non-refundable \$5 per acre EOI fee was established by the Inflation Reduction Act (IRA, Public Law 117-169).

*Analysis*

An EOI is an informal nomination to request certain Federal lands to be included in a competitive oil and gas lease sale. The nonrefundable EOI filing fee is intended to minimize spurious EOIs, including those submitted for lands that are ineligible for oil and gas leasing. Historically, many EOIs submitted to the BLM were for lands that were ineligible for a lease sale for reasons such as being located within an existing authorized lease, lacking federally owned minerals, or being legislatively unavailable for mineral leasing.

By creating a nonrefundable fee through the IRA, Congress placed the burden on the party submitting an EOI to ensure the lands submitted are available and eligible for leasing. Consistent with Congressional intent, this has decreased the number of spurious EOIs and the workload imposed on the BLM mineral leasing program, making it possible to process EOIs for eligible lands more efficiently. The BLM supports maintaining the nonrefundable EOI fee as directed by Congress, and therefore does not support H.R. 6481.

**Conclusion**

Thank you again for the opportunity to provide a statement for the record on these bills.

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QUESTIONS SUBMITTED FOR THE RECORD TO BUREAU OF LAND MANAGEMENT

**The Bureau of Land Management did not submit responses to the Committee by the appropriate deadline for inclusion in the printed record.**

**Questions Submitted by Representative Stauber**

*Question 1. How many EOIs has each BLM field office invalidated since the Inflation Reduction Act (IRA) was passed and what criteria is each office using to do so?*

*1a) How do these numbers compare percentage-wise to the remaining EOIs?*

*Question 2. Please submit the number EOIs that you have received, along with the associated acreage, over the last 24 months by month and by State.*

*2a) Please submit the amount of EOI acreage offered in lease sales by the Department over the last 24 months by lease sale.*

*2b) Please submit the amount of non-EOI acreage offered in lease sales by the Department over the last 24 months by lease sale along with the agency's rationale for offering non requested acreage.*

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## Submissions for the Record by Rep. Stauber

Dear Bruce Westerman:

My name is Emma Wohlrab and I am a student at Danbury High School. In my American Government and pre law class we have spent a lot of time researching and learning about the government and how it works. Over the past few weeks we have been researching different committees and choosing one we like. I chose the Natural Resources committee because ever since I was I've been interested in nature and I knew it could possibly dictate my job in the future. After we chose a committee we had to pick out a bill that stood out to us, whether we're against it or not. I chose the bill, H.R. 5482—Energy Poverty Prevention and Accountability Act of 2023. This bill states that it will prevent energy poverty and ensure that at-risk communities have access to affordable energy. I am in full support of this bill. I'm in support of this bill because I think that all people should have the right to accessible and affordable energy.

Fox News made an article on September 15, 2023 stating that, "According to the bill's text. Under the legislation, federal agencies would be required to assess impacts energy-related policies have on a wide of Americans" (Catenacci). I support this because if the bill is passed it's going to help those in need all across American not just in one or a few states. In this article it also explains that the bill has many endorsements from multiple energy industry groups, such as, "The U.S. Oil and Gas Association, Energy Workforce & Technology Council, Energy Poverty Prevention Project and Domestic Energy Producers Alliance." (Catenacci). With all this support it seems obviously that many are in favor of the bill.

Another article in favor of the bill is on Dan Sullivan's website called, Sullivan, Hageman Introduce Bill to hold Administration Accountable for Regressive Energy Policies Targeting Rural and Low-Income Americans, made on September 15, 2023. In this article it talks mainly about the same stuff but most importantly it gives more endorsements. For example it states, "Skyrocketing energy costs are crushing the livelihoods of vulnerable populations such as low-income, minority, rural, elderly, and Indigenous communities . . . The Energy Poverty Prevention and Accountability Act is the right step toward curbing the out-of-control costs of regulation and government overreach driving the epidemic of energy poverty in this country."—Derrick Hollie, The Energy Poverty Prevention Project (Sullivan) Being able to help out the needy is always a top priority so this bill is really important. But why would someone not be in support of this bill?

A person might not be in support of this bill because in order to get more energy you would have to mine more and pollute the environment more. A publisher called Harriet Hageman, also Wyoming's Congresswoman as you probably know, created an article called Rep. Hageman and Sen. Sullivan Introduce Bicameral Bill to Fight Energy Poverty. Created also on September 25. In this article it states that, "Whether it was President Biden or Obama, Speaker Pelosi or Leader Schumer, these so-called leaders have waged war against American coal and oil and gas, all the while knowing they cannot replace the very energy resources they are undermining" (Rep. Hageman). So would this issue cause the bill to be harder to pass? It takes so much to get the energy and that's a lot of money so would the president want to make it cheaper and lose money?

Another source that has evidence against the bill is Kevin Hern's website. Created in 2020, however it talks about the same topic. This bill is heavily supported so it's difficult to find evidence against it. The article is called Hern Introduces energy bill protecting low-income and minority communities. In this article it states that, "These same officials roll out strategies promoting "environmental justice" and "economic equity" (while never defining either). Yet, it is ultimately our fellow Americans who struggle to make ends meet when the price at the pump goes up, energy bills reach record highs, and the grocery bill doubles" (Hern) This makes me think that if the bill is passed and low-income families energy cost is lowered, would the higher income families have to pay more than they are already paying? If so, that is a definite disadvantage of the bill.

Overall, the Energy Poverty Prevention and Accountability Act of 2023 bill is a great bill that would help millions of Americans out, as long as no one else or the environment is negatively affected. But one more question, how much would this bill cost? Anyways, I would love to see this bill get passed and I hope you didn't get too bored while reading this. I wish you the best of luck and support for this bill.

Best regards,

EMMA WOHLRAB

## Submissions for the Record by Rep. Hageman

### Navajo Transitional Energy Company Broomfield, Colorado

December 13, 2023

To Whom It May Concern:

Navajo Transitional Energy Company (NTEC) writes in support of House Resolution 5482. We believe the Energy Poverty Prevention and Accountability Act of 2023 is an essential piece of legislation to ensure that the current extraordinary focus on climate change does not irrevocably harm the most vulnerable among us by essentially, or in-fact, eliminating basic needs, such as affordable and reliable electricity.

While the scientific community has been discussing climate change since as early as 1938, global politics and policies regarding climate change have become truly extraordinary over the past decade. In the United States, the Biden Administration is rapidly moving forward with massive, systemic changes to the United States electrical grid. All corners of the Administration have been pushing for the elimination of fossil fuel generated electricity since signing Executive Order 13990 on President Biden's inauguration day. For illustration, just in 2023, the following federal regulatory actions have been advanced which threaten the US electrical grid (*not an exhaustive list*):

- Proposed particulate matter national ambient air quality standards review,
- Final mercury and air toxics standards issuance of "Appropriate & Necessary" decision,
- Proposed greenhouse gas new source performance standards for existing electric generating units (rule 111d),
- Proposed greenhouse gas new source performance standards for new electric generating units (rule 111b),
- Final greenhouse gas Subpart Ba implementing regulations,
- Proposed mercury and air toxics standards risk and technology review,
- Effluent limitation guidelines proposed rule to potentially strengthen effluent limitation guidelines,
- Proposed coal combustion residuals legacy impoundments,
- Final particulate matter national ambient air quality standards review,
- Proposed new source review emissions accounting review rule,
- Coal combustion residuals Part B final rule (Phase 2 closure),
- Final ozone national ambient air quality standards reconsideration,
- Coal combustion residuals closure complete (f)(2), less than 40 acres, and
- Final prevention of significant deterioration fugitive emissions rule.

Each of the individual regulations, rulemakings and reviews listed above has a significant impact on an aspect of the United States electrical grid. Taken together, the culmination of these items (along with the regulations, rulemakings and reviews from 2020, 2021 and 2022) puts the United States electrical grid in extreme peril. However, it is not apparent that there is any balancing test being applied by the Biden Administration to evaluate the impacts of its collective energy policy decisions (or individual rulemakings) with the short-term harm to our national security, national economy or the significant hardships being exacerbated upon our most At-Risk communities (At-Risk as defined in H.R. 5482).

NTEC has consistently stated that we believe an ‘all of the above’ energy strategy is the only prudent and reasonable path forward given what is collectively understood about climate change, current and future energy needs and the state of technological advancement with other potential energy sources. We believe the Energy Poverty Prevention and Accountability Act of 2023 is necessary because United States energy policy to combat climate change seems to follow a “Ready, Shoot, Aim” methodology rather than reasonably analyzing the economic, national security and social justice implications of decisions. Policy makers seem significantly more concerned about what may happen to people in the year 2100 rather than the *absolute* direct policy impacts happening today on our most vulnerable. We need to balance the needs of addressing potential climate change impacts that may occur 30+ years from now with meeting the immediate basic necessities of ALL human beings.

### **Affordability**

The Energy Poverty Prevention and Accountability Act of 2023 clearly will provide some reassurance to the Navajo Nation that the welfare of its citizens will not be expendable at the alter of climate change. But the concern felt by members of the Navajo Nation are also felt by many other communities. Over the past year, we have started to see numerous examples of utilities that are announcing significant increases for electricity rates. In Wyoming, both businesses and individuals were recently informed that their local electric utility was requesting a 20–35% rate increase. While the Wyoming PSC announced the full requested increase would not be granted, the utility has already stated they will be coming back for another rate increase in 2 or 3 years in the range of 30%. This is but one example of many from across the country—and electric utilities have publicly stated that rates in the future will be higher due to the costs of green energy. A simple Google search provides dozens of headlines proclaiming electric utility costs rising 5, 12, 20% and more in 2022 and 2023. These increases are guaranteed to continue so long as the utilities are being forced away from affordable energy. Obviously, utility increases are essentially a regressive tax against the At-Risk populations and communities this bill is intended to protect.

### **Reliability**

For decades, we have seen the plight of non-US businesses operating in countries throughout the world who were forced to deal with significant energy reliability issues. Rolling brownouts, blackouts, regulated power or inconsistent power have been deemed as a necessity of doing business in Third World countries. Suddenly, as a direct result of eliminating electrical generation from coal, gas and hydro without replacement electricity being online, the United States finds itself with similar significant electricity reliability concerns.

South Africa jumped on the ‘green energy’ revolution early and wholeheartedly. They are now dealing with systemic blackouts due to the lack of reliable energy. The push to solar and wind has created a massive energy poverty gap between the wealthy and the At-Risk, who cannot afford to purchase solar units for their homes. While South Africa is the continent’s most developed economy, they have placed themselves in a situation where they are forced to endure daily power cuts which are wreaking havoc on the economy and population.

Over the past 6 months alone, many utilities, regional transmission organizations, and federal agencies have released very concerning studies and statements regarding reliability. For example:

- FERC Commissioner Mark Christie told the Senate Energy and Natural Resources Committee in a hearing on May 4, 2023 “The United States is heading for a reliability crisis. I do not use the term “crisis” for melodrama, but because it is an accurate description of what we are facing. I think anyone would regard an increasing threat of system-wide, extensive power outages as a crisis.”
- At a hearing before the Senate Energy and Natural Resources Committee on June 1, 2023, Manu Asthana, President and CEO of PJM stated “We will need to slow down the retirement or restriction of existing generation until replacement capacity is deployed . . . frankly, we see this as the single largest risk in the energy transition.”

- MISO has closed 45 power plants (1 nuclear, 29 coal and 15 gas) in the past 6 years. Those plants provided over 17 megawatts of electricity (approximate coverage for 11.2 million homes). The vast majority of that 17 megawatts has been replaced with wind and solar, which is intermittent power . . . not reliable as baseload power. According to data from MISO's website, there will be an ever-widening gap between 'installed' and 'accredited' capacity going forward. Essentially, MISO is virtually guaranteed to not be able to reliably meet its forecasted energy needs with reliable generation. In other words, there WILL be blackouts throughout the MISO region, it is simply a matter of whether that occurs when the temperature is 30 degrees or 20 below. The differences in those temperatures when the electricity goes out will literally be a life/death determination for many At-Risk individuals and communities throughout the MISO region.
- Similar analysis in ERGOT, SPP and other regions show that PJM and MISO are not alone. Each and every regional transmission organization has been publicly clamoring about the crisis that is not coming—but rather here.

It is for these reasons and more that we believe the Energy Poverty Prevention and Accountability Act of 2023 is necessary legislation. The United States can, and should, continue to address proven climate change ramifications. However, we do not believe that climate change and energy policy decisions should be made in a vacuum with a focus only on POTENTIAL future impacts. There should be a balance between protecting and lifting up citizens of today, especially those At-Risk, while addressing potential harms in the future.

#### **About NTEC**

Navajo Transitional Energy Company was formed in 2013 as part of a groundbreaking initiative by the Navajo Nation to assert and assume full sovereignty over its vast mineral and energy assets. NTEC was established under Navajo law as an autonomous limited liability company whose sole shareholder is the Navajo Nation. NTEC's initial objective was to acquire ownership and control of the Navajo Mine located entirely on the Navajo Nation just outside of Farmington, New Mexico. In 2019, NTEC went on to acquire substantially all the assets of Cloud Peak Energy after they filed bankruptcy. Through this acquisition, NTEC became the 3rd largest coal producer in the United States. Our coal portfolio includes the Navajo Mine—which is a mine mouth operation feeding the Four Corners Power Plant located on the Navajo Nation; the Antelope and Cordero Mines in Wyoming and the Spring Creek Complex in Montana.

In addition to owning and operating coal mines, NTEC owns and operates producing helium wells on the Navajo Nation, we have an ownership percentage in the Four Corners Power Plant, we have an ownership interest in the Round Top rare earths deposit in Texas, and a partnership with Arizona Lithium for development of the Big Sandy lithium project in Arizona. Further, we are working closely with the respective owners of the FCPP to develop large-scale, merchant power solar facilities on reclaimed mine land. We truly represent and strive for "all of the above" solutions to the energy needs of the Navajo Nation, the United States and beyond. As new technologies are developed which we believe can help provide energy and support the Navajo Nation—we will be analyzing it.

We are an essential contributor to the Navajo Nation. Through royalties, taxes and other payments NTEC accounts for 30% of the Navajo Nation General Fund on an annual basis. Further, the Four Corners Power Plant provides another 9%. That power plant is currently scheduled to be shut-down in 2031.

In addition to significant royalties and taxes, NTEC provides critical support for the Navajo Nation in numerous other ways. We provided over 12,000 tons of free coal to Navajo and Hopi families in 2022–23 through our Community Heating Resource Program CHRP program to ensure houses stay warm in the winter months. Due to high energy costs and local energy shortages, we expect to exceed that amount this year. In all, NTEC has provided over \$350 million directly to the Navajo Nation and to Navajo charities since 2013. Of our almost 1,400 employees, 354 voluntarily identified as Native American—including 318 Navajo employees. The average salary of our employees identifying as Native American is \$82,600. These high paying jobs are essential to the Navajo community. The Navajo Nation is one of the most impoverished communities in the United States, so to put this in perspective,

On the Navajo Nation:

- Median household income is \$26,862 (compared to \$57,652 for the US),
- 36% of households have income below the poverty line (compared to 12.7% in the US),
- 19% of households are in Extreme Poverty,
- 40% of homes lack running water,
- 32% of homes lack electricity,
- 86% of homes lack natural gas,
- Unemployment rate is just above 40%,
- More than 50% of Navajo on the Nation live more than 20 miles from the nearest grocery store (there are 13 grocery stores on the 27,000 square mile Nation),
- 2020 census numbers provide 32.9% of homes have broadband access.

Thank you for your consideration.

Regards,

MATTHEW ADAMS,  
*Director, Senior Tax Counsel*

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**Submissions for the Record by Rep. Grijalva****Statement for the Record****National Parks Conservation Association (NPCA)****on H.R. 5482**

Since 1919, National Parks Conservation Association (NPCA) has been the leading voice of the American people in protecting and enhancing our National Park System. On behalf of our 1.6 million members and supporters nationwide, we write to share our thoughts on select legislation ahead of a hearing in the Committee on Natural Resources Subcommittee on Energy and Mineral Resources scheduled for December 12, 2023.

**H.R. 5482, the Energy Poverty Prevention and Accountability Act of 2023**—NPCA **opposes** this legislation, specifically Section 5, which is intended to slow down new regulations in order to continue unfettered extractive energy development on nearby public lands. While the stated goal of this bill is to protect frontline communities and those in need from higher energy costs, nothing in the bill would guarantee that outcome. In fact, the bill does not take into account the costs and benefits of renewable energy including wind and solar for these communities. Renewable energy could have other long term, non-polluting benefits as well. Instead, this bill is a backdoor attempt to slow down the ability of the administration to update regulations including ensuring the taxpayers do not get saddled with the cost of cleaning up extractive development as they do now. Occasionally, the Interior Department uses authority granted in law to conserve land instead of allowing energy development. This bill could allow many places including important wildlife habitat—that many communities depend on for food and subsistence—to be threatened with extractive energy development. We urge you to oppose this bill.

Thank you for considering our views.

Sincerely,

Daniel Hart,  
Director, Clean Energy and Climate Resiliency Policy

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**Southern Environmental Law Center  
Atlanta, Georgia**

December 20, 2023

Hon. Bruce Westerman, Chairman  
Hon. Raúl Grijalva, Ranking Member  
House Natural Resources Committee  
1324 Longworth House Office Building  
Washington, DC 20515

Re: Southern Environmental Law Center's Opposition to H.R. 5482's Protections of the Fossil Fuel Industry

Dear Chairman Westerman and Ranking Member Grijalva:

We write in opposition to H.R. 5482 because it would protect fossil fuel interests at the expense of America's most vulnerable communities. Energy poverty is a real, urgent issue that merits the attention of policymakers at every level of government. But protecting the fossil fuel status quo will not offer everyday Americans the access to affordable energy and healthy communities that they need and deserve.

**1. The Southern Environmental Law Center is a nonprofit, nonpartisan defender of the environment and the people who live here.**

The Southern Environmental Law Center's mission is to protect the basic right to clean air, clean water, and a livable climate; to preserve our region's natural treasures and rich biodiversity; and to provide a healthy environment for all. SELC is a nonprofit and nonpartisan defender of the environment which draws upon the expertise of our lawyers, policy, and issue experts. Our work is rooted in the South, so we have a keen awareness of the South's history of racism and the resulting environmental harms faced by communities of color here. We have stood alongside our Southern neighbors who have faced the hazardous impacts of fossil fuel pipelines and polluting industries. We also have a committed, persistent presence in Public Utilities Commissions across the Southeast to advocate for ratemaking, policies, and programs that address the disproportionate energy burden borne by households with low incomes and communities of color.

**2. The Southern Environmental Law Center opposes H.R. 5482.**

It is with this deep policy knowledge of the causes of and solutions to energy burden in the South that we write in opposition to H.R. 5482. We enthusiastically support Congress' acknowledgement of its important role in recognizing and mitigating energy burden and working towards access to affordable energy for all Americans. But addressing environmental injustice—and specifically, disproportionate energy burden—cannot happen by further entrenching the fossil fuel status quo that fostered these inequities, which is what this legislation would do. This bill creates administrative red tape that would limit the United States' ability to creatively, competitively, and nimbly meet the needs of residents with the highest energy burden. And this bill does not offer any assurances that the studies of energy poverty it commissions will holistically consider the causes of and alternative solutions to addressing energy poverty.

First, this bill relies on the false assumption that additional investment in fossil fuels is an effective energy poverty solution. In the South, alternatives to fossil fuels—like solar energy—are more cost-effective energy sources, according to our energy utilities.<sup>1</sup> Equally important, though, is that H.R. 5482 fails to account for fossil fuels' outsized contributions to energy inequity due their price-instability, energy unreliability, climate impacts, and public health burdens.

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<sup>1</sup>See, e.g., Zach Bright, *Southern Co. eyes renewables surge after Vogtle milestone*, ENERGYWIRE (Aug. 4, 2023, 6:44 AM), <https://subscriber.politicopro.com/article/eenews/2023/08/04/southern-co-eyes-renewables-surge-after-vogtle-milestone-00109701>.

Second, this legislation relies on an oversimplistic view of the causes of and solutions to energy poverty. The residential American's energy bill is many layers of policies, policy-makers, and regulations removed from the individual executive actions that may affect the fossil fuel industry. The crisis of energy poverty is real, and it must be addressed. But it is a far more complex problem than H.R. 5482 appears to suggest. Energy poverty arises from low incomes, drafty housing with inefficient appliances, a lack of access to energy efficiency programs, inequitable billing practices, extremely hot and cold days, and so on.<sup>2</sup> Fuel prices are an important factor, like the rest of the contributing factors, but it is only one of many.

**a. H.R. 5482 fails to account for cheaper energy alternatives, and it offers no assurances that its asymmetrically mandated reports will consider the price-instability, energy-unreliability, climate impacts, and public health burdens of fossil fuels, all which exacerbate energy inequity.**

For the reasons explained below, the Southern Environmental Law Center cannot support federal policies that discourage or delay investments in our most cost-effective carbon-neutral resources, and H.R. 5482 does just that by creating new, stringent reporting requirements for actions that roll back fossil fuel reliance. To truly evaluate the impact of fossil fuels on energy equity, H.R. 5482 would have to require studies to explicitly consider the numerous externalities of fossil fuels that exacerbate energy inequity as well as potential alternative investments. Commissioning reports of the impact of a fossil fuel policy without considering the full extent of the harm those fuels have caused to our most vulnerable communities does not serve everyday Americans' financial interests.

H.R. 5482 incorporates the erroneous assumption that maintaining the fossil fuel status quo promotes energy equity. It does not. Not only are fossil fuels not the most affordable option for energy production, but their extraction and combustion for energy has resulted in innumerable harmful impacts on the country's most vulnerable communities.

**i. Fossil fuels are not the cheapest energy option for households.**

Fossil fuels have been eclipsed as the most cost-effective energy investments due to American ingenuity and market-driven investments in clean energy technology. In the South, at least, investments in modern, carbon-neutral energy infrastructure are the more cost-effective path forward. Southern Company's chief financial officer recently called solar the "most viable technology" for the Southeast.<sup>3</sup> And Georgia Power has described solar as "the most cost-effective energy resource addition available in Georgia."<sup>4</sup> Similarly, energy efficiency programs, which reduce the amount of energy demanded from the grid, are typically the lowest cost energy resource compared to supply-side investments.<sup>5</sup> The cheapest electron is that which you do not use. In fact, ACEEE has compiled data showing that saving energy through "energy efficiency programs generally can be achieved at one-third to one-fourth the cost of fossil-fuel based supply-side alternatives."<sup>6</sup>

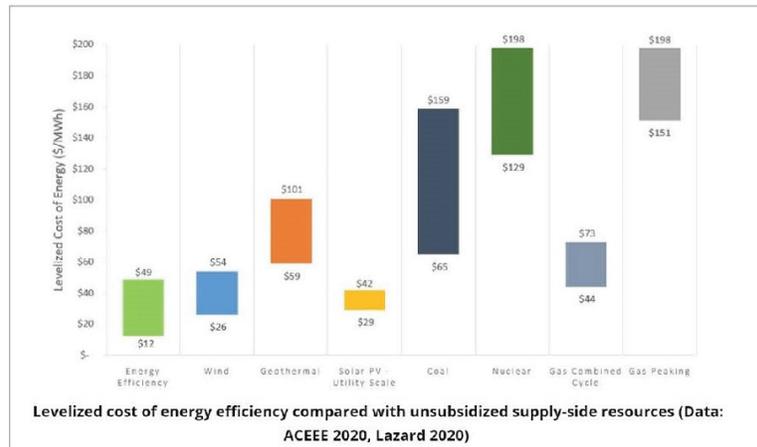
<sup>2</sup> Sonal Jessel et al., *Energy, Poverty, and Health in Climate Change: A Comprehensive Review of an Emerging Literature*, 7 FRONTIERS IN PUBLIC HEALTH 357, Dec. 12, 2019, <https://www.frontiersin.org/articles/10.3389/fpubh.2019.00357/full>.

<sup>3</sup> Bright, *supra* note 1.

<sup>4</sup> Georgia Power 2022 Integrated Resource Plan at 13-90, No. 44160 (Ga. P.S.C. 2022), <https://www.southernenvironment.org/wp-content/uploads/2023/10/2022-IRP-Main-Documents.pdf>.

<sup>5</sup> *Energy Efficiency as a Resource*, AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY, <https://www.aceee.org/topic/ee-as-a-utility-resource>.

<sup>6</sup> *Id.*



In stark contrast, Georgia Power, for example, acknowledges that nearly all of its long-term coal investments are “no longer in the best interest of customers.”<sup>7</sup> And as described further below, methane gas prices are unpredictable, and the risk of those price spikes fall almost entirely on customers.

**ii. The volatility of methane gas prices creates a tremendous burden for price-sensitive homes.**

Fossil fuel prices are unpredictable, and because of common rate-making practices in the United States, customers are the ones who are on the hook when fossil fuel prices spike.<sup>8</sup> A cardinal principle of rate design for Public Utilities Commissions is to avoid rate shocks “that can especially burden low-income households who would find it difficult to afford utility services and other necessities.”<sup>9</sup> But unpredictable fuel prices lead to unpredictable bills, and that burden is felt most severely by households with the tightest budgets.

Methane, or “natural,” gas, especially, is notorious for price shocks, as international events can lead to a sudden and severe spike in wholesale commodity prices.<sup>10</sup> In states where those prices are passed directly to the billpayer, that can cause massive bill shock for each household. For example, this spring, Georgia Power billed its customers \$2.6 billion in overspending on fuel costs due to spikes in gas prices.<sup>11</sup> As a result, the average residential bill increased by \$15.94 a

<sup>7</sup> Georgia Power 2022 Integrated Resource Plan, *supra* note 4 at L-187, <https://www.southernenvironment.org/wp-content/uploads/2023/10/2022-IRP-Main-Documents.pdf>.

<sup>8</sup> Joe Daniel et al., *Strategies for Encouraging Good Fuel-Cost Management: A Handbook for Utility Regulators*, RMI (2023) (“Utilities typically handle fuel costs through fuel adjustment clauses. Under these policies, 100 percent of the cost of fuel is passed onto customers. When fuel costs spike, only utility customers take the hit.” The report notes that this creates a major problem: “It creates no financial incentive for utilities to manage their fuel costs carefully.” Although this is the current status quo, there are several ways regulators can act to relieve fuel-cost burdens across America, outlined in the report.) (emphasis added).

<sup>9</sup> Ken Costello, *Multiyear Rate Plans and the Public Interest*, NATIONAL REGULATORY RESEARCH INSTITUTE, Report No. 16-08 at 42 (Oct. 2016) <https://pubs.naruc.org/pub/FA86999D-D03F-2858-7228-A6353560E5B9>.

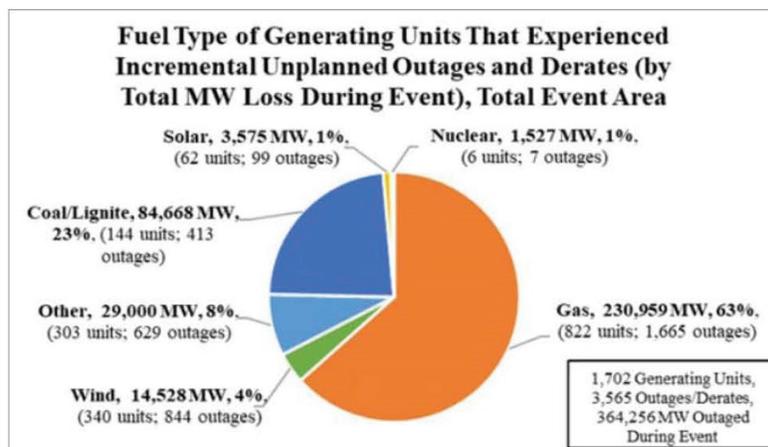
<sup>10</sup> Ana Maria Jaller-Makarewicz, *Seesawing gas market dominated by fear and volatility*, INSTITUTE FOR ENERGY ECONOMICS AND FINANCIAL ANALYSIS (Sept. 6, 2023), <https://ieefa.org/resources/seesawing-gas-market-dominated-fear-and-volatility> (“Gas markets are becoming riskier—gas and LNG prices are increasingly volatile and greatly affected by global factors. The uncertainty of future events that could affect gas supply makes it extremely difficult to predict how the supply and demand could be balanced and how much prices could escalate by. As seen in last year’s events in Europe, the only way that importing countries can mitigate that risk is by reducing their internal consumption.”).

<sup>11</sup> Georgia Power’s Fuel Cost Recovery Application, Direct Testimony of Sarah P. Adams and Adam D. Houston on behalf of Georgia Power Company at 4, No. 44902 (Ga. P.S.C., February 28, 2023) (“As of December 31, 2022, this under-recovered fuel balance was \$2.1 billion, and is projected to be \$2.6 billion by May 31, 2023.”).

month.<sup>12</sup> Georgia Power testified to the Georgia Public Service Commission that the costs would have been even higher if not for the downward pressure from renewables.<sup>13</sup>

**iii. Fossil fuel resources were our least reliable resources when the Southern grid needed them most.**

Fossil fuel resources were our least reliable resources when the Southern grid needed them most. During the January 2014 “Polar Vortex,” fossil fuel failures accounted for the vast majority of the energy that was unavailable to power lights and heat homes.<sup>14</sup> Seven years later, fossil fuels again were not reliable. During Winter Storm Elliott—the extreme cold weather event occurring between December 21 and 26, 2022—over 127,000 megawatts of generation was unavailable, representing 18% of the total generation in the Eastern Interconnection. Southeastern grid operators were forced to undertake “the largest controlled firm load shed recorded in the history of the Eastern Interconnection.”<sup>15</sup> Eighty-six percent (86%) of the unplanned lost energy production was due to the failure of fossil fuels in the cold.<sup>16</sup> On Christmas Eve alone, 1.6 million homes in that region lost power.<sup>17</sup>



<sup>12</sup> Georgia Power Company’s Rebuttal Testimony of the Panel of Sarah P. Adams and Adam D. Houston at 3, No. 44902 (Ga. P.S.C., April 24, 2023).

<sup>13</sup> Georgia Power’s Fuel Cost Recovery Application, Direct Testimony of Sarah P. Adams and Adam D. Houston on behalf of Georgia Power Company, *supra* note 11 at 15 (“Generation from renewable resources . . . lowers the cost of fuel. . .”).

<sup>14</sup> NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION, POLAR VORTEX REVIEW at 13 (Sept. 2014), [https://www.nerc.com/pa/rrm/January%202014%20Polar%20Vortex%20Review/Polar\\_Vortex\\_Review\\_29\\_Sept\\_2014\\_Final.pdf](https://www.nerc.com/pa/rrm/January%202014%20Polar%20Vortex%20Review/Polar_Vortex_Review_29_Sept_2014_Final.pdf) (“Coal plants accounted for 26 percent of the outages. Natural gas represented over 55 percent of the total outages during the polar vortex.”).

<sup>15</sup> FEDERAL ENERGY REGULATORY COMMISSION AND NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION, INQUIRY INTO BULK-POWER SYSTEM OPERATIONS DURING DECEMBER 2022 WINTER STORM ELLIOTT: FERC, NERC AND REGIONAL ENTITY STAFF REPORT at 6 (Oct. 2023).

<sup>16</sup> *Id.* at 17 (see Figure 6b, which shows that natural gas units accounted for 63% of the loss, and coal accounted for 23% of the loss).

<sup>17</sup> Peter Behr, *Bomb cyclone sparks fierce debate over grid readiness*, ENERGYWIRE (Jan. 3, 2023, 6:47 AM), <https://www.eenews.net/articles/bomb-cyclone-sparks-fierce-debate-over-grid-readiness/>; Erwin Seba and Scott Disavino, *Storm cuts U.S. oil, gas, power output, sending prices higher*, REUTERS (Dec. 23, 2022, 8:13 PM), <https://www.reuters.com/business/energy/storm-cuts-us-oil-gas-power-output-sending-prices-higher-2022-12-23/>.

**iv. The production and extraction of fossil fuels disproportionately harm the communities H.R. 5482 is drafted to protect.**

The health burdens of fossil fuels are disproportionately borne by communities of color and communities with lower incomes.<sup>18</sup> Fossil fuel infrastructure, from extraction to combustion, creates dangerous air pollution that harms both the environment and human health.<sup>19</sup> Nearly 18 million Americans live within 1 mile of an active oil or gas well, “including disproportionately large numbers of communities of color, people living below the poverty line, older individuals and young children in many counties with active drilling across the US.”<sup>20</sup> Adhtza Dawn Chavez of the Naeva Education Project explains that methane gas’ “[s]pills, leaks, venting and flaring are taking a toll on our air, water and health,” and “rural communities, tribal communities, children and the elderly are especially at risk.”<sup>21</sup> And recent research has demonstrated that we have been underestimating the danger of coal: “Coal-fired power plants killed at least 460,000 Americans during the past two decades, causing twice as many premature deaths as previously thought. . . .”<sup>22</sup>

**v. H.R. 5482 entrenches fossil fuels at a time when we should be accelerating away from them.**

As the impacts of climate change become more severe and our timeline to tackle it more urgent, it is irresponsible to double down on fossil fuels when utilities should be aggressively pursuing renewable energy options. Americans are experiencing more frequent and severe natural disasters, temperature extremes, rising seas, ecosystem loss, species extinction, food and water insecurity, and economic disruption, in large part due to the climate change contributions of fossil fuel extraction and use for energy production.

As noted above, these consequences are disproportionately borne by communities of color and low-wealth communities. Further, according to the Fifth National Climate Assessment, the energy system *itself*, from supply to delivery to demand, is vulnerable to extreme events.<sup>23</sup> “Extreme temperatures increase energy demands and stress electricity operations, leading to outages that disrupt societal services.”<sup>24</sup>

Rather than entrench fossil fuel reliance, the U.S. must accelerate the transition to carbon-free energy. The current rate of declining greenhouse gas emissions in the United States is not sufficient to meet our critical commitments and goals.<sup>25</sup>

**b. H.R. 5482 does not address the complex roots of energy inequity and energy poverty.**

Energy poverty is the product of two factors: depressed incomes and inflated energy bills. Clearly, the sources of depressed incomes and poverty, generally, are the result of complex, intertwined governmental, societal, and individual factors. Less commonly understood, however, is the tremendous complexity of electricity bills.

<sup>18</sup>Lara J. Cushing et al., *Historical red-lining is associated with fossil fuel power plant siting and present-day inequalities in air pollutant emissions*, 8 NATURE ENERGY 52-61 (Jan. 2023).

<sup>19</sup>Timothy Q. Donaghy et al., *Fossil fuel racism in the United States: How phasing out coal, oil, and gas can protect communities*, 100 ENERGY RESEARCH AND SOCIAL SCIENCE at 4 (May 2023) (Figure 3 depicts an overview of the fossil fuel life cycle, which shows that extraction, processing, transport, and combustion of fossil fuels all lead to hazardous air pollutants, criteria air pollutants, and greenhouse gases).

<sup>20</sup>*U.S. Tightens Limits on Oil and Gas Methane to Address One of Nation’s Largest Pollution Sources*, ENVIRONMENTAL DEFENSE FUND (Dec. 2, 2023), <https://www.edf.org/media/ustightens-limits-oil-and-gas-methane-address-one-nations-largest-pollution-sources#:~:text=Environmental%20Defense%20Fund%20research%20on,line%2C%20older%20individuals%20and%20young>. Jeremy Proville et al., *The demographic characteristics of populations living near oil and gas wells in the USA*, 44 SPRINGER NATURE POPULATION AND ENVIRONMENT 1-14 (2022).

<sup>21</sup>*Study Explores Demographics of Communities Living Near Oil and Gas Wells*, ENVIRONMENTAL DEFENSE FUND (June 21, 2022), <https://www.edf.org/media/study-explores-demographics-communities-living-near-oil-and-gas-wells>.

<sup>22</sup>Nina Lakhani, *US coal power plants killed at least 460,000 people in past 20 years—report*, THE GUARDIAN (Nov. 23, 2023), <https://www.theguardian.com/environment/2023/nov/23/coal-power-plants-deaths-pollution>. Lucas Henneman et al., *Mortality risk from United States coal electricity generation*, 382 SCIENCE 941-946 (2023).

<sup>23</sup>U.S. GLOBAL CHANGE RESEARCH PROGRAM, THE FIFTH NATIONAL CLIMATE ASSESSMENT, Section 5.2: Compounding Factors (2023).

<sup>24</sup>*Id.*

<sup>25</sup>*Id.* at Section 1: Overview (“US net greenhouse gas emissions remain substantial and would have to decline by more than 6% per year on average, reaching net-zero emissions around midcentury, to meet current national mitigation targets and international temperature goals; by comparison, US greenhouse gas emissions decreased by less than 1% per year on average between 2005 and 2019.”).

The number at the bottom of a residential electric bill is the product of energy usage, energy costs, and many layers of decision-making about how to allocate the costs of energy, generally, among ratepayers. Fossil fuel prices are important, but they cannot be viewed in isolation.

Georgia Power, for example, proudly repeats that it offers customers some of the lowest energy rates (meaning, cost per unit of energy used) in the country. And yet, individuals do not pay energy rates—they pay bills. And residential Georgia Power customers pay some of the highest bills in the country.

Georgia's high bills (despite lower-than-average energy rates) can be explained in part by high energy usage in the increasingly hot South, and they are also a product of ratemaking policies. Energy usage is often driven by factors like climate, home-efficiency, and lifestyle. Ratemaking policies can further drive-up energy bills in ways that are beyond a household's control, like by requiring customers to pay for outsized monopoly utility profits or by incorporating large fixed costs. For example, approximately 20% of the average bill paid by Georgia Power's residential electricity customers goes toward Georgia Power's profit margin (return on equity) and debt financing that has been approved by the Georgia Public Service Commission.<sup>26</sup> And there are significant segments of the bill (nearly \$18/month) that cannot be avoided by reducing energy usage, but instead are effectively "fixed charges" for items like coal ash clean up, large nuclear construction costs, and shared electricity infrastructure like transformers and overhead lines.<sup>27</sup> There are also policies embedded in rate making that allow Georgia Power to make risky investments in volatile fuel sources (like methane gas) and not pay a penny more if gas prices spike; instead, the Georgia Public Service Commission allows Georgia Power to charge its customers for those unpredictable prices.<sup>28</sup>

The complexity of energy poverty and energy bills is well illustrated by a 2020 literature review for the Oak Ridge National Laboratory, which found that there are five primary categories of "causes and correlates" of high energy burden: location and geography, housing characteristics, socio-economic situations, energy prices and policies, and behavioral factors.<sup>29</sup> The price of energy is only one factor in a complex web of policies and practices that result in energy burden, as illustrated in Table 2.1, copied below. And the focus of H.R. 5482, how any single federal policy or practice may impact the price of residential fuel, is even far more removed.

**Table 2.1. Causes and Correlates of High Energy Burden**

Location and Geography	Housing Characteristics	Socio-economic Situation	Energy Prices and Policies	Behavioral Factors
<ul style="list-style-type: none"> <li>Rural, urban, Native American, remote community, island territory</li> <li>Climate</li> <li>Population density</li> <li>Urban morphology (affecting access to jobs and efficient appliances)</li> </ul>	<ul style="list-style-type: none"> <li>Thermal integrity of building</li> <li>Type, age and size: single-family, manufactured, multifamily)</li> <li>Owner-occupied vs rental and public housing</li> <li>Age and type of appliances</li> <li>Type of thermostat: WiFi, smart, programmable, touch screen</li> </ul>	<ul style="list-style-type: none"> <li>Income</li> <li>Ethnicity/Racial background</li> <li>Immigrant vs native-born</li> <li>Number of occupants, children, elderly, and handicapped</li> </ul>	<ul style="list-style-type: none"> <li>Energy prices</li> <li>Energy rate designs</li> <li>Energy mix and access to natural gas</li> <li>Availability and effectiveness of low-income energy programs and appliances</li> </ul>	<ul style="list-style-type: none"> <li>Lack of knowledge</li> <li>Misplaced incentives/principal-agent problems (especially in multifamily homes)</li> <li>Lifestyle cultural factors</li> <li>Lack of control over energy bills</li> <li>High non-monetary costs</li> </ul>

<sup>26</sup> Direct Testimony of Mark E. Ellis on behalf of Georgia Interfaith Power & Light at 81, No. 44280 (Ga. P.S.C. Oct. 20, 2022) ("Based on analysis of Georgia Power's general rate case filings, its proposed combined rate of return for both debt and equity, the latter grossed up for taxes, accounts for more than 25% of its revenue requirement."). A Southern Environmental Law Center energy consultant determined that 25% of revenue requirement equates to approximately 20% of the total bill paid by customers.

<sup>27</sup> See, e.g., Direct Testimony of Justin Barnes on behalf of Georgia Interfaith Power & Light at 14, No. 44280 (Ga. P.S.C. Oct. 20, 2022).

<sup>28</sup> See Joe Daniel et al., *supra* note 8.

<sup>29</sup> Low-Income Energy Affordability: Conclusions from a Literature Review, ORNL-TM-2019-1150 (Mar. 2020), available at <https://info.ornl.gov/sites/publications/Files/Pub124723.pdf>

Furthermore, this same study provides a menu of illustrative programs and policies that directly target the problem of high energy bills, as seen in Table 3.1, copied below. And ultimately, this study acknowledges that “[a] coordinated approach to home energy, health, safety, and housing that integrates programs across geographies could reduce low-income energy burden while delivering numerous other benefits to both current and future generations.”<sup>30</sup>

**Table 3.1 Illustrative low-income energy policies and programs**

	Energy Bill Assistance	Financial Incentives	Energy Information	Regulations
<b>Electric and Gas Utilities</b>	<ul style="list-style-type: none"> <li>• Bill forgiveness programs</li> <li>• Budget billing</li> <li>• Prepaid electricity services</li> <li>• Payment plans</li> </ul>	<ul style="list-style-type: none"> <li>• Direct installation of efficiency measures</li> <li>• Round-up assistance programs</li> <li>• On-bill program designs</li> </ul>	<ul style="list-style-type: none"> <li>• Goal setting for low-income programs</li> <li>• Installation of home energy management systems</li> <li>• Real-time appliance and premise level feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Rates and rate design</li> <li>• Shut-off and reconnection policies</li> <li>• Integrated resource planning</li> <li>• Adders for cost-effectiveness tests</li> <li>• Minimum requirements for low-income programs</li> </ul>
<b>Federal Agencies</b>	<ul style="list-style-type: none"> <li>• Low Income Home Energy Assistance Program (LIHEAP)</li> <li>• HUD assisted housing utility allowance subsidies</li> <li>• USDA housing utility allowance subsidies</li> </ul>	<ul style="list-style-type: none"> <li>• Weatherization Assistance Program (WAP)</li> <li>• LIHEAP weatherization</li> <li>• Energy Efficiency and Conservation Loan Program (EECLP)</li> <li>• Low-Income Housing Tax Credit (LIHTC) program</li> <li>• HUD HOME/CDBG home repair funding</li> </ul>	<ul style="list-style-type: none"> <li>• WAP includes education of clients as an allowable activity</li> <li>• WAP Technical Assistance and Training</li> <li>• HUD Utility Benchmarking guidance</li> </ul>	<ul style="list-style-type: none"> <li>• Subsidized housing regulations</li> <li>• Federal Housing Administration (FHA) Duty to Serve</li> <li>• Environmental Protection Agency (EPA) energy justice and climate regulations</li> <li>• Federal Energy Regulatory Commission (FERC) affordable power for all regulations</li> </ul>
<b>State Agencies</b>	<ul style="list-style-type: none"> <li>• Implementation of federal bill assistance programs</li> <li>• State administered ratepayer funding for bill assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of federal low-income energy efficiency programs including support for local, state and regional initiatives</li> <li>• State and county funds supplement WAP</li> </ul>	<ul style="list-style-type: none"> <li>• Technical assistance</li> <li>• Tools</li> <li>• Case studies</li> <li>• Peer exchange</li> <li>• Goal setting</li> <li>• Convening</li> <li>• Stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Subsidized housing regulations</li> <li>• Minimum requirements for low-income utility programs</li> </ul>
<b>Local Government, Community-Based Entities, and NGOs</b>	<ul style="list-style-type: none"> <li>• Bill forgiveness programs</li> </ul>	<ul style="list-style-type: none"> <li>• Weatherize Campaigns</li> <li>• Home repair financing</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy housing programs</li> <li>• CDC Lead Control</li> <li>• Building codes and ordinances</li> <li>• Community education, outreach</li> <li>• Community convening</li> <li>• Pilot projects</li> </ul>	<ul style="list-style-type: none"> <li>• Subsidized housing regulations</li> <li>• Building and energy codes and standards</li> </ul>

<sup>30</sup> *Id.* at 59.

So, while SELC applauds the Committee's recognition of the real impacts of energy poverty and energy burden on everyday Americans, we urge Congress to consider the entire scope of causes of this issue, which can then inform meaningful options for relief.

**c. Conclusion.**

H.R. 5482 does not require consideration of the complexity of factors impacting energy burden, and instead seeks to promote an industry—fossil fuels—that has contributed significantly to energy inequity across the South. For these reasons, the Southern Environmental Law Center writes in opposition to H.R. 5482.

*Jennifer Whitfield,*  
Senior Attorney

*Bob Sherrier,*  
Staff Attorney

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**The Wilderness Society (TWS)**

December 11, 2023

Hon. Peter Stauber, Chairman  
 Hon. Alexandria Ocasio-Cortez, Ranking Member  
 House Natural Resources Committee  
 Energy and Mineral Resources Subcommittee  
 1324 Longworth House Office Building  
 Washington, DC 20515

Chairman Stauber, Ranking Member Ocasio-Cortez, and members of the House Natural Resources Committee's Subcommittee on Energy and Mineral Resources:

On behalf of our more than one million members and supporters, The Wilderness Society (TWS) writes to express our views on the bills listed below, which are scheduled to be heard by the House Natural Resources Committee's Energy and Mineral Resources Subcommittee on December 12, 2023.

**H.R. 5482, the Energy Poverty Prevention and Accountability Act**

H.R. 5482 would subject all federal and state laws, bills, and regulatory actions to additional reviews, audits, and reporting requirements focusing exclusively on one aspect of the clean energy transition: energy prices. The legislation fails to account for the public health improvements, ecosystem health, fair returns for taxpayers for the fossil fuel industry's use of shared public resources, economic diversification, emissions reduction, or any other positive externality that may arise from a legislative or regulatory action.

Specifically, Section 2 of the bill includes senses of Congress that Americans should have access to affordable, reliable energy, that energy costs should be mitigated, and that federal policies should not increase energy costs for "at-risk communities." While these are laudable goals, the legislation—again—places a primacy on affordability and fails to account for other critical considerations that may necessitate regulatory or legislative action.

Section 3 includes a series of definitions for "at-risk communities," "energy poverty," what constitutes an "energy rule" under the purview of the Act, "Federal land," and several other terms that are found throughout United States Code.

Section 4 requires the Government Accountability Office and the Office of Management and Budget (OMB) to jointly author a report on energy actions taken by states and the federal government over the prior year that also analyzes prospective regulatory actions. It would also examine which "at-risk communities" are experiencing "energy poverty", why, and how to mitigate those concerns, and recommendations for action that follow a very narrow and overly prescriptive set of parameters, including "increasing energy production on Federal lands." The prescriptiveness of these reports predetermines a set outcome—an outcome that favors unscrupulous oil, gas, and coal leasing and extraction.

Section 5 directs the Congressional Budget Office to include a cost estimate on consumer energy price increases for each bill that could result in an energy-related regulatory action. It also requires the Secretary of the Interior to author a publicly available report to Congress on the impacts on jobs and energy prices of any mineral withdrawal or moratorium, pause, or delay on mineral leasing or drilling on federal public lands. OMB would be required to publish a statement on the webpage of every federal regulatory action certifying that "the rule or guidance will not result in energy poverty in at-risk communities." Again, the bill ensures via overly prescriptive parameters that these estimates and reports favor leasing, drilling, and mining above all else.

Section 6 directs OMB to issue a rule within 90 days to implement the Act.

Overall, the bill intends to essentially prohibit agencies from taking any action beyond wholesale, unencumbered approval of oil, gas, and coal lease sales, fossil fuel permit issuances, and other fossil fuel development; tip the scales heavily in favor of oil, gas, and coal production; burden an administration if it favors anything other than fossil fuels; and erects several bureaucratic reporting hurdles agencies must clear in order to promulgate any energy regulation beyond a broken status quo that simply allows more and more oil, gas, and coal production. By taking aim at state renewable portfolio standards, it also attempts to abort any transition from fossil fuels to renewable energy.

For these reasons, The Wilderness Society strongly opposes H.R. 5482, and urges the subcommittee not to advance it.

**H.R. 6474, To amend the Energy Policy Act of 2005 to expedite geothermal exploration and development in previously studied or developed areas**

This legislation would amend the Energy Policy Act of 2005 to add certain geothermal exploration and development activities to an existing categorical exclusion for oil and gas activities, putting geothermal on par with oil and gas in certain narrow circumstances. This would mean that the following geothermal activities would not be subject to National Environmental Policy Act (NEPA) analysis:

- Individual surface disturbances less than 5 acres where the total surface disturbance under the lease is 150 acres or less;
- Drilling a geothermal well at a site where drilling for oil, gas, or geothermal occurred within the last 5 years;
- Drilling a geothermal well within a developed field where either a resource management plan or NEPA document that was approved within the last 5 years previously analyzed such drilling as a reasonably foreseeable activity;
- Placing a pipeline within a right-of-way that was approved within the last 5 years; or
- Maintaining a minor activity, but not the construction or major renovation of a building or facility.

Public input and NEPA analyses are critical components of effective decision-making. That said, The Wilderness Society supports the renewable energy build-out, including expanding geothermal energy—and we do not believe that renewable energy activities should be held to a higher standard than oil and gas activities with a similar level of surface disturbance. Enlarging the scope of an existing categorical exclusion that currently only applies to a limited set of oil and gas activities to also apply to the same activities related to geothermal is laudable and is in service of the goal of permitting additional clean, renewable energy on federal public lands.

While we oppose the underlying categorical exclusion, we believe that as long as it exists in law for oil and gas it should also apply to geothermal activities.

The Wilderness Society supports H.R. 6474 and urges members of the subcommittee to advance it.

**H.R. 6481, To amend the Mineral Leasing Act to require the Secretary of the Interior to reimburse the fee for an expression of interest if the expression of interest becomes inactive, and for other purposes.**

This legislation concerns the \$5 per-acre fee, enacted by the Inflation Reduction Act, that oil and gas operators must now pay when nominating acres of federal public land for oil and gas leasing—also referred to as the “expression of interest fee” (or “EOI fee”). The bill strikes “nonrefundable” from the existing statute, inserts language clarifying that nominations are “active” for five years, and stipulates that fees shall be refunded should a nomination become inactive—ostensibly once five years has elapsed and the Bureau of Land Management has not offered the acreage in question for lease.

The expression of interest fee was included in the IRA to reduce speculation and to halt frivolous nominations. Between 2009 and 2019, for instance, oil and gas speculators nominated over 60 million acres in Nevada—with just over 5% of that total auctioned for lease, with only a miniscule percentage of that subset yielding any paying quantities.

Rampant abuses of the system like this unfortunate example strain limited Bureau of Land Management resources. The EOI fee, as enacted by the IRA, should remain fully nonrefundable to prevent these abuses.

Additionally, receipts from the EOI fee are split between the state and federal government. Making this fee refundable pending future agency action may impact both state and federal revenues.

The Wilderness Society opposes this legislation and urges members of the subcommittee not to advance it.

Thank you for considering our views.

Sincerely,

LYDIA WEISS,  
*Senior Director, Government Relations*

