

OPENING STATEMENT
Ranking Member Don Beyer (D-VA)
of the Subcommittee on Oversight

House Committee on Science, Space, and Technology
Subcommittees on Energy and Oversight
“Risky Business: The DOE Loan Guarantee Program”
February 15, 2017

Thank you Chairman Weber and Chairman LaHood. I look forward to working with both of you this Congress and I appreciate you holding this hearing today.

The mission of the Department of Energy’s (DOE’s) Loan Programs Office (LPO) is to help accelerate the deployment of advanced, innovative clean energy technologies across the United States. The successful deployment of these technologies creates jobs, enhances American competitiveness and helps to protect the environment, the climate, and the public’s health.

We are likely to hear a lot of criticism of the loan guarantee program today. Both witnesses and Members are likely to say that the federal government should play no role in funding energy technologies at all, particularly renewable energy technologies. Some may even say they don’t believe the U.S. government should have provided more than \$470 billion in subsidies to the oil and gas industry over the past 100 years. Some may also see problems with DOE providing more than \$8 billion in loan guarantees (or one-third of its current loan guarantees) to construct two new nuclear plants in Georgia. The current LPO portfolio, that includes solar, wind, fossil fuel, nuclear and other technologies, comprises more than \$30 billion in loans, loan guarantees, and conditional commitments covering more than 30 different projects across multiple energy and transportation technologies.

I believe the DOE loan programs support our Nation’s efforts to innovate, invent, and discover new clean energy technologies that help to fuel our economy, enhance our national security and protect our environmental legacy. The possible plan to halt the DOE loan programs completely, as suggested in a memo by President Trump’s DOE transition team and supported by some individuals at the conservative Heritage Foundation, for instance, is a spectacularly bad idea.

Investing in clean energy is smart. It helps provide scientific solutions to combat climate change. It helps to protect our environment and the public’s health from toxic chemicals. It fosters innovation and the development of new technologies. It creates new jobs and helps our economy.

American companies and workers in our advanced energy sector face fierce foreign competition. The international market is not a perfectly free market – many firms in the advanced energy sector benefit from strong home government support. For example, China auto maker BYD benefits from generous support from the Chinese government and is “on its way to becoming the world’s largest electric car manufacturer,” according to a July 2016 article in Forbes magazine.¹ European firms are also making significant gains in new plug-in vehicles and renewable energy generation. The United States should not simply cede its leadership to our foreign competitors in the high-tech, advanced energy sector. This important DOE program is necessary for American businesses and American workers to compete in this growing, competitive field.

Regardless of whether or not you believe in the abundant scientific evidence that supports the reality of climate change and the role of fossil fuel production in global warming, supporting clean, innovative, renewable energy technologies that do not damage our waterways, air and land by releasing toxic

chemicals into the environment is a good idea. The only thing they may threaten is fossil fuel companies that don't clean up their act.

I hope that as Members of Congress we have some foresight and can agree to support federal investments today into the clean energy technologies that our nation will need tomorrow.

The DOE's loan programs provide vital financial assistance to help innovate our energy infrastructure, developing new advanced technologies that will help fuel our energy needs in the future and help build the innovative companies contending in the competitive advanced energy international marketplace.

I look forward to hearing from our witnesses and having a constructive dialogue on these issues. I would particularly like to thank the Minority Witness, Mr. Dan Reicher, for being here today.

Mr. Reicher has tremendous experience in energy policy, finance, and the clean energy industry. He was Director of Climate Change and Energy Initiatives at Google and prior to that he was a co-founder of a private equity firm focused on clean energy projects.

Mr. Reicher, I look forward to your testimony and the breadth of experience you bring to the table.

Thank you. I yield back.

ⁱ Mark L. Clifford, Contributor to Forbes magazine, "Chinese Government Subsidies Play Major Part In Electric Car Maker BYD's Rise," July 26, 2016, *Forbes*, <http://www.forbes.com/sites/mclifford/2016/07/26/with-a-little-help-from-its-friends-lavish-chinese-government-help-for-top-electric-car-maker-byd/> Accessed: February, 2017.