OPENING STATEMENT Ranking Member Marc Veasey (D-TX) of the Subcommittee on Energy

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Mr. Chairman, I'd like to thank you for holding this hearing and thank you to the witnesses for being here today. It seems fitting to have two Texans leading today's discussion.

The state of Texas represents the largest share of the U.S. oil and gas industry. As everyone here likely knows, Texas is the leading crude oil producing state and the largest natural gas producer. This industry has been a major economic driver for our state, employing hundreds of thousands of Texans.

In order to continue this economic success, it is necessary for our state to lead the way in making oil and gas cleaner and safer for the environment and public health. I am happy to say that everyone on the panel today can speak to the crucial importance of environmental mitigation in the extraction, production, and consumption of oil and gas. I look forward to hearing your insights and ideas.

Since the industrial revolution and the birth of the fossil fuel-based economy, the world has seen a sharp increase in atmospheric greenhouse gases and a warming climate due directly to human activity. As the scientific community has made clear, action on climate change cannot wait. So what does this mean for the oil and gas industry?

The shale gas boom can take credit for much of the U.S. emissions reductions over the past five years. As the power generation sector switched from coal-fired power plants to natural gas, we have enjoyed the benefits of this cleaner-burning resource. However, this is not a sufficient long-term solution to lowering our emissions.

As the use of natural gas increased, so too has the potential for methane leaks. Methane, the largest component of natural gas, has 84 times the heat trapping capacity of carbon dioxide over a twenty year span. Aging infrastructure, greater storage demand, and a growing pipeline network present a number of challenges in monitoring and preventing these leaks. The most notable leak since the shale gas boom occurred in 2015 at the Aliso Canyon storage facility in California. The leak resulted in the release of 109,000 metric tons of methane into the atmosphere. While methane is colorless and odorless, the impact it can have on the environment and the health of our own communities is evident as demonstrated by the incident in California.

However, this problem presents an opportunity. Methane leaks are unique in that the environmental incentives align with the profit incentives of industry. Every methane leak represents additional warming for Earth's climate, but it also means a loss of profit for industry. Working together, we can provide the incentives and research necessary to drastically reduce methane leaks by closely aligning the industry's bottom line with our urgent need to protect our environment.

The increased reliance on natural gas also highlights another long-term challenge: the deployment of carbon capture technologies. Even though natural gas is an improvement over coal when it comes to emissions, use of this resource still pumps out greenhouse gases at an unsustainable rate. That is why we must accelerate the deployment of carbon capture technologies, not only for coal-fired power plants, but also for natural gas power generation.

According to the International Energy Agency, carbon capture and storage technologies are vital to enabling a robust global response in addressing the threat of climate change. This necessity is reflected in the Paris climate negotiations, and we are not short on innovative concepts. In particular, I look forward to hearing from Mr. Dimmig on NET Power's unique zero-emission design that they are trying to commercialize in Texas in the next few years.

Before I finish, I would like to note that during today's dialogue we may hear a few inaccurate or misleading statements comparing incentives for fossil energy versus those for the various forms of renewable energy and energy efficiency. The most obvious inaccuracy in this criticism is the presumption that all renewable energy is the same – as if solar, wind, geothermal, and hydropower are not all unique forms of energy generation. Claiming a lack of parity in research and development funding by comparing fossil energy research budget lines to budgets for efficiency and all of these renewable sources lumped together is not only misleading, it ignores the basic facts of how our energy markets work.

Fossil energy has enjoyed strong government support for the past century, including tax incentives, subsidies, research and development funding, and the unaccounted-for military resources marshalled to defend oil shipments around the world. In fact, the current boom in natural gas production can be traced back to research on horizontal drilling and hydraulic fracturing pioneered by the Department of Energy in the 1970s. Moreover, fossil energy commands strong control over the electricity generation and transportation markets. Yet, some of my Republican colleagues cry foul when the biggest energy companies in the world do not receive the same dollar-for-dollar government support as all other energy industries combined.

I strongly support government-funded research and development to advance energy efficiency, the wide range of renewable energy technologies, and nuclear power. However, this doesn't mean that the Department of Energy can't or shouldn't support a robust portfolio of fossil energy research and development as well. This area of research requires a strong partnership between government and industry focused on mitigating the environmental impacts of fossil energy generation. The Department of Energy's work in this space is vital to our environmental priorities.

I hope we have the opportunity this Congress to collaborate with our colleagues in the Majority to examine how we can prioritize and expand the Department's R&D in this critical area.

Thank you again, Mr. Chairman and I yield back the balance of my time.