

**Chairman Manchin's Opening Remarks During a Full
Committee Hearing to Examine the President's
Budget Request for the U.S. Department of the
Interior for Fiscal Year 2025**

- The committee will come to order.
- I'd like to start by welcoming my friend, Secretary Jennifer Granholm, who is here today to discuss the President's Fiscal Year 2025 budget request for the Department of Energy.
- Thank you being with us today, Secretary Granholm.
- As Chairman of this Committee and Senator for one of America's energy powerhouses, it has been incredible to witness how transformative the Bipartisan Infrastructure Law and Inflation Reduction Act have been so far.

- We are more energy independent today than we ever have been, and we're producing more energy cleaner than ever.

- In 2023, the United States produced:
 - A record 38 trillion cubic feet of natural gas
 - A record 4.7 billion barrels of crude oil,
 - A record 238 million megawatt-hours of solar, and
 - A record 6.4 gigawatts of new batteries installed on the grid

- That's the type of all-of-the-above energy production we need as a country.

- Now, these laws were also crafted with the goal of securing our energy supply chains and using innovation, rather than elimination, to reduce emissions.

- I fully believe that when it comes to goals or regulations, if it's not feasible, it's not reasonable, and there are a lot of technologies that had received minimal federal support in the past that could help reduce emissions that could use a boost.
- A great example is hydrogen, which we heavily invested in through both laws.
- Since we last had Secretary Granholm here, the Bipartisan Infrastructure Law's Hydrogen Hubs were announced, which will benefit 16 states and attract more than \$40 billion in private investment.
- West Virginia is proud to be a part of the ARCH2 Hub—but the impact of these bills for West Virginia and America doesn't stop there.
- Instead of being left out as our energy mix evolves, traditional energy communities are going to play a

major role in our energy future with investments in new energy manufacturing facilities.

- This includes brand new projects like Form Energy's iron-air battery plant in the legacy steel town of Weirton, West Virginia—which is supported by advanced manufacturing tax credits from the IRA.
- It also includes upgrades and improvements for existing facilities, like the Constellation plant in Ravenswood, West Virginia which has received \$75 million from the IRA and the Bipartisan Infrastructure Law to help them decarbonize.
- And it's not just West Virginia—for example, the IRA has enabled DOE to guarantee a loan for the first-ever restart of a nuclear power plant, the Palisades plant in Michigan, which will provide dispatchable and clean power to meet our country's growing energy demand.

- The IRA also mandated federal offshore oil and gas leasing to continue, and as a result we have received the most bids for offshore leases since 2014 and generated more than \$600 million in revenues to help reduce our debt.
- And since America's offshore oil and gas production has among the lowest greenhouse gas emissions in the world, these projects will displace dirty fuels produced elsewhere.
- These bills created a lot of opportunity, which is why I am so frustrated about the numerous ways the administration is trying to reinvent them to fit their political agenda and picking winners and losers, the law be damned.
- Last year we talked a lot about the EV tax credits, which had been revamped in the law to secure supply chains and very quickly watered down by the administration in an effort to bribe consumers.

- No sane person can compare the letter of the law and the proposed guidance and see it any other way. And, unfortunately, we are already seeing the impact of these deviations from the law.
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- Last week, Treasury announced that they have reimbursed more than \$580 million for EV tax credits so far this year, which is well beyond the \$451million CBO projected for all of FY24.
- But we've talked a lot about how frustrated I am by that and the detrimental impact I believe it will have on our national security to have our transportation sector beholden to China.
- Let me raise an issue that's happened since the Secretary was here last year – the new unworkable requirements for the hydrogen industry to be eligible for the tax credits that were invented out of thin air.

- Adding on these “additionality,” “hourly matching,” and “geographic proximity” requirements could be a deathblow to this critical new sector, and you won’t find those words in the law.
- Where you will find them is in the letters sent to the administration by the climate groups that want to see hydrogen fail.
- Meanwhile the Administration is also distorting the rules to give an extra 10% in tax credits to offshore wind projects – located in the ocean – by making the bogus argument that they are in a legacy energy community.
- So on the one hand, this Administration is trying to liberalize the credits for the select technologies that left-wing activists want.

- And at the same time, they are trying to limit the credits for technologies they don't like, such as hydrogen, carbon capture, and domestic mining.
- To make it worse, they are doing all of this as "proposed" rules so they can avoid any legal action against them to rectify the situation.
- Unless they change course, we're missing a tremendous opportunity to realize the full promise of these bills.
- I bring this up today because while the implementation of these tax credits is technically being done by Treasury, the Department has been working closely with Treasury and played an important role in developing the guidance.
- I implore you to please step in and fix this craziness before it's too late.

- Now the tax credits aren't my only concern.
- The Administration has put a political pause on LNG export permitting—at a time when U.S. natural gas prices are as cheap as ever – before doing any analysis on whether our growth in exports will actually outpace our reserves or how this will impact our allies abroad.
- I believe that studies must be done to make sure that Americans aren't paying a premium while companies are making a bigger profit by exporting, but making decisions to appease activists without any data to back them up is just not how our government should work.
- DOE has also tried to rush the transition through efficiency standards that put US manufacturing at risk.

- But I was very glad to see that DOE backed off its original proposal for distribution transformers and moved to a standard similar to that which I proposed in a bipartisan bill with Senators Brown, Cruz, and others.
- But of course, we're here today because of the President's budget request for FY 2025.
- I would be remiss if I did not register my grave concerns about our nation's growing debt and the larger consequences if we don't get our spending in check.
- The Department of Energy's budget request had a 2.3% increase over 2024 levels, so I look forward to discussing how to ensure the Department has the resources it needs to stay on the forefront of energy innovation and bolster our energy security, without spending beyond our limits.

- Within that request I was pleased to see funding proposed for several priorities that are important to West Virginia.
- This includes \$385 million for the Weatherization Assistance Program, \$900 million DOE's Office of Fossil Energy and Carbon Management, a \$3 million increase for the Interagency Working Group on Coal and Power Plant Communities and continued support for the National Energy Technology Laboratory headquartered in Morgantown, WV.
- These are important because they keep West Virginia on the cutting edge of innovation while ensuring no one is left behind.
- Secretary Granholm, I appreciate you being here today.

- We may not always see eye to eye but you have been such a tremendous partner and I have so much respect for you and the work of your department.
- I look forward to hearing your perspectives on these issues.
- With that, I'll turn it over to Ranking Member Barrasso for his opening statement.
- Thank you, Senator Barrasso.
- I'd like to turn now to our witness this morning, Secretary Jennifer Granholm to deliver her opening remarks.
- Thank you again for being here with us and for your testimony. We will now begin with questions.