

U.S. SENATE COMMITTEE ON

ENERGY & NATURAL RESOURCES

SENATOR MARIA CANTWELL, *Ranking Member*



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Opening Statement Senator Maria Cantwell (D-Wash.) Hearing on Near-Term Outlooks for Energy and Commodity Markets January 19, 2016

“Thank you, Madam Chair, and thank you for holding this important hearing to examine the near-term outlook for energy markets. And I thank the witnesses for joining us here today for this very important and timely discussion ahead of potential floor debate on the bipartisan energy bill.

“Energy markets have been changing rapidly in the last year, and I’m sure we’re going to hear a lot about that. But I want to emphasize a few things.

“Utility-scale wind energy capacity has grown by 677 percent — from less than 9 gigawatts to nearly 70 gigawatts in the last 10 years.

“In part, this success has been enabled by all-time low reductions in the cost of wind power. The rates for wind power purchase agreements have fallen from 7 cents per kilowatt-hour in 2009 to nearly 2 cents per kilowatt-hour recently – that’s a 71 percent drop in costs.

“These trends are prevalent all across the United States — utility-scale wind power is deployed across 39 states. And in nine states, wind exceeds 10 percent of the total in-state electricity generation.

“And it’s not just wind — solar photovoltaic (PV) technology has rapidly emerged as a mainstream technology over the last few years. Utility-scale PV solar has grown to more than 10 gigawatts in 2015.

“And distributed PV systems installed on customers’ and businesses’ rooftops have seen the same level of growth. Now there are more than 800,000 distributed PV systems installed.

“This is all possible because of the dramatic decline in the price of PV systems — down 59 percent over the last six years.

“But interest in renewable energy hasn’t just been from electric utilities and customers. In 2015, there was a record-breaking year for corporations – such as Amazon, Microsoft, Google and Walmart — who purchased large-scale wind and solar energy. These corporations signed



roughly 3 gigawatts of power purchase agreements for large-scale renewable energy last year. This more than doubled the amount signed in 2014.

“These trends have also been benefiting my state of Washington. Washington’s wind industry is seventh in the nation for installed wind capacity. Washington ranks 15th in the country for solar power capacity per person and 25th nationwide for total solar capacity.

“Recent policy changes will accelerate these trends — creating more jobs, reducing carbon pollution and saving consumers money.

“Why this sudden drop in costs? In part, because of policy — and 2015 brought the addition of new policies that will build upon the success of previous federal, state and local policies that support the growth of renewable energy.

“For instance, in August 2015, the EPA finalized the Clean Power Plan which will reduce carbon pollution from power plants and drive a more aggressive transition to zero-carbon renewable energy sources.

“Last December, more than 190 nations reached a historic accord to address climate change — committing nearly every country to lower carbon pollution and keep global temperatures from rising more than 2 degrees Celsius by 2100.

“These domestic and global commitments to reduce carbon pollution will create new global markets and export opportunities for the U.S. and our technologies. In fact, the International Energy Agency estimates that \$4.2 trillion in renewable energy investments and about \$8 trillion in energy efficiency investments will be made across the world in the next 15 years.

“Lastly, at the end of last year, the omnibus spending bill included long-term extension for clean energy tax credits. That also will be sending a signal.

“According to Bloomberg New Energy Finance — as I’m sure we will hear shortly —it’s estimated that this will result in 76 percent more wind energy and 44 percent more solar energy than if these policies had not been extended.

“All of these policies will continue to accelerate the trends of clean energy deployment — reducing carbon pollution, saving consumers money and creating jobs. This is a big factor for us to consider here. There are job creation activities going on here.



“A report from the Solar Foundation found that the U.S. solar industry employed more than 200,000 Americans in 2015, with 20 percent growth in solar industry employment.

“For perspective, solar employment grew nearly 12 times faster than the national employment growth rate during the same period. The solar workforce is now larger than some well-established fossil fuel generation sectors, such as the oil and gas extraction industry.

“The U.S. wind industry has had similar job growth trends and supports more than 73,000 well-paying jobs. It’s also important to talk about the consumer in this equation.

“Renewable energy policies not only create jobs, but they save consumers money and can provide consumers with more choices. In a new study by the National Renewable Energy Laboratory and Lawrence Berkeley National Laboratory, renewable portfolio standards help to lower prices, saving consumers up to \$1.2 billion from lower electricity prices and up to \$3.7 billion from reduced natural gas prices.

“Recent low oil and natural gas prices have also resulted in savings for consumers. For example, AAA estimates that Americans saved more than \$115 billion on gasoline in 2015 compared to 2014, which was an average of more than \$550 per driver.

“However, these fossil fuel commodities are still susceptible to price swings. I’m sure we’re going to hear about that today. Less than two years ago, oil prices were over \$100 a barrel. In EIA’s Short-Term Energy Outlook, it states that ‘oil prices could continue to experience periods of heightened volatility,’ over the next two years.

“In contrast, renewable generation technologies — which use wind and sun as fuel — are not as susceptible to these price volatilities.

“Consumers should have choices and should not face roadblocks to being able to implement these choices. So we’ll continue to support those policies that give homeowners and businesses the freedom to generate their own energy.

“Whether you’re an environmentalist or a member of the Tea Party, supporting distributed generation and making sure consumers get access to choose their own energy distribution or storage methods is something I think we’ll continue to be talking about.

“Again, thank you Madam Chair for holding this important hearing and I hope that we’ll hear a lot from our witnesses today about how and what we can expect in the next few years.



“Thank you.”

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