<u>Chairman Manchin's Opening Statement — Full Committee Hearing</u> <u>to Examine the President's Budget Request for the U.S. Department</u> <u>of Energy for Fiscal Year 2024</u>

- The Committee will come to order.
- I am happy to welcome my friend, Secretary Jennifer Granholm, back to the Committee to discuss President Biden's Fiscal Year 2024 Budget request for the Department of Energy.
- Thank you for joining us this morning, Secretary Granholm.
- Last week, I had the privilege of traveling to Ukraine to meet with President Zelensky and his energy team, as well as our Polish allies.
- We discussed America's efforts to ensure the Ukrainian people can beat back President Putin's illegal and immoral invasion and rebuild their country.
- We also discussed the steps we're taking to help our European allies win the energy war Putin has waged for over a year.
- The trip was a reminder of the importance of ensuring that efforts to address climate change don't put us or our friends at greater geopolitical risk. The energy we all rely on must be secure, reliable, and affordable.
- Make no mistake, just as Europe's outsourcing of energy has allowed Putin to use Russia's abundant resources as a weapon against our friends and allies, the United States is also vulnerable because we have failed to prioritize energy independence.

- As the superpower of the world, we are reliant on China, Russia, and other foreign adversaries for far too many of our energy needs—whether it be oil, solar wafers, nuclear fuel, or, increasingly, electric vehicles.
- These are all things we can and should be producing start to finish in North America or sourcing from our allies.
- In an effort to decarbonize we need to be honest about the dirty supply chain secrets that come with various energy resources and technologies, or we're simply sacrificing security for climate goals.
- And we need only look to Germany to see how that could work out.
- That is why we need the federal government to signal with both words and actions that the United States is prioritizing our energy security and reducing geopolitical risk.
- This means implementing the energy bills we've passed responsibly, lawfully, and consistent with Congressional direction and intent—not re-interpreting these laws to try to make them fit a climate-only agenda.
- It also means that we in Congress need to pass timely, predictable energy permitting reform.
- And at a fundamental level, it means spending within our means and taking responsible steps to reduce our national debt, which is one of the biggest threats to our national security.

- This Committee has also given the Department of Energy a lot to implement over the last couple of years through the Energy Act of 2020, the Bipartisan Infrastructure Law, the Chips & Science Act, and the Inflation Reduction Act.
- These historic bills together establish the programs and funding necessary to ensure American energy security and U.S. competitiveness—all while improving our environment.
- Ensuring these bills are implemented effectively, efficiently, and as Congress intended is one of my top priorities. I look forward to working with you, Secretary Granholm, to make that happen.
- And I'm sorry to say that implementation hasn't been going smoothly.
- Although the IRA will invest in technologies to decarbonize, it is first and foremost an energy security bill.
- Unfortunately, this Administration seems intent on disregarding that in an effort to implement a climate law that Congress didn't pass.
- And I will do everything in my power to hold the Administration's feet to the fire and prevent actions that circumvent the letter of the law or its clear intent.
- I know that DOE provided input on the EV tax credit guidance which is so obviously in violation of the law, so I'll want to talk about that this morning.

- I also know that the intended benefits of all of these historic laws can only come to fruition if Congress enacts major reforms to our energy permitting and litigation processes.
- On average, it takes five years or more to permit major energy projects in this country.
- This pace is clearly too slow to achieve any of our goals, whether it be energy independence, reducing emissions, or reinvesting in communities impacted by the energy transition.
- I look forward to hearing how DOE is using its resources and current tools to help accelerate energy permitting.
- However, as I've said, the significant permitting reforms we need are only possible with action from Congress. We welcome the Department's recommendations on the reforms we are considering.
- We have been spending more than we bring in every year for the last 22 years. These years of fiscal irresponsibility have brought us to the debt crisis we face today—\$31.46 trillion dollars of public debt.
- So I'm concerned that DOE is asking for a more than 13% increase from 2023, especially since DOE received nearly \$100 billion in additional funding for the next decade in the Bipartisan Infrastructure Bill and the IRA.
- At some point we have to say "enough is enough."

- Our debt is not just a Republican problem or a Democratic problem. Congress and administrations led by both parties have recklessly added to the debt.
- I'm terribly disappointed that we're playing a game of political chicken with the debt ceiling, instead of working on an agreement to pay the bills coming due and also to reduce the debt moving forward.
- The best way to resolve this is for Congress and the Administration to return to a normal budget negotiation process—in other words, to do our jobs.
- Unfortunately, we are already falling behind, and our inaction puts us at risk. The President's budget was delivered over a month late, and both chambers have missed deadlines to report a budget resolution.
- By just passing the annual appropriations bills on time, we would save billions we currently waste year after year by relying on continuing resolutions to fund government operations.
- I hope the Department will work with us to come up with a more prudent spending plan that contributes to deficit reduction.
- It's time for us all to do our jobs.
- Now, I fully believe we can get our fiscal house in order while supporting important energy projects across the country.
- I was glad to see several West Virginia priorities included in the Department's budget request.

- The request includes funding for research and deployment of carbon capture, sequestration, and storage, hydrogen, and methane emissions reduction. These technologies are key to continue producing and using West Virginia's coal, oil, and gas resources in the cleanest way possible.
- The request also supports the National Energy Technology Laboratory headquartered in Morgantown. We are so proud of the work Dr. Brian Anderson and his team do to keep us on the cutting edge of energy innovation.
- I am also grateful for Dr. Anderson's dedication to reinvigorating the coal communities that have kept the lights on and powered our nation to greatness through his leadership of the Interagency Working Group on Coal and Power Plant Communities, which I was also happy to see included in the President's budget request.
- So with that, we have a lot to discuss this morning, Madam Secretary!
- Let me now turn it over to Ranking Member Barrasso for his opening remarks.
- 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.