

OPENING STATEMENT
RANKING MEMBER ERIC SWALWELL
ENERGY SUBCOMMITTEE HEARING
FEDERAL FINANCIAL SUPPORT FOR ENERGY TECHNOLOGIES: ASSESSING COSTS
AND BENEFITS
Wednesday, March 13, 2013

Thank you Chairman Lummis for holding this hearing today. I appreciate the opportunity to discuss the range of instruments that government can utilize to affect change or maintain the status quo in the energy marketplace.

My interest in the subject lays firmly in the category of affecting change. For reasons that range from establishing U.S. leadership in the booming global clean energy market, to protecting consumers and domestic industries from energy price shocks, to protecting our children from the shock of a rapidly changing climate, the status quo in energy is simply unsustainable.

I understand that energy legislation is in the works here. I hope that we on the Science Committee can work together throughout this Congress to craft policies that are both forward-leaning and pragmatic, and that we can take lessons learned from past experiences to right-size the role of government in spurring innovation in our energy systems.

To do that, we must first acknowledge that the energy marketplace is not a “free” market. For one, as my Republican friends will likely agree, it is heavily regulated at both the state and national level. It is also heavily biased towards favoring incumbent technologies over investments in new, more advanced systems that can deliver cleaner, smarter, more sustainable energy to consumers. Furthermore, the pathway from idea to scale-up is fraught with technical and financial risks that can derail even the most resourceful developers.

The taxpayers want lower-cost, reliable energy with few, if any, harmful environmental impacts, and they increasingly demand more control and more choices in the fuels and technologies they use. Until our policies start to address the numerous market failures that new concepts face, and reevaluate them on a regular basis, we will not lay the groundwork for a truly competitive energy marketplace in the U.S.

These difficulties are only exacerbated when we in Washington politicize energy in a manner that does not reflect either market realities or societal good. As we see the tired arguments over industrial policy reemerge, we would benefit from looking at the lengths our global competitors are willing to go to capture market share, as well as the past efforts we have made in picking the energy “winners” we have today. But, bickering over who gets to pick winners and losers simply misses the point. To quote Ranking Member Johnson from a recent op-ed, “It is a waste of time to argue over the rules of a game that our competitors aren’t even playing”.

Meanwhile, draconian cuts to the Nation's innovation enterprise stand to cripple us even more. Aside from the obvious impact that sequestration will have on personnel and activities at agencies such as the Department of Energy, subjecting stakeholders to such dramatic fluctuations is just a bad way to do business. We have a long history in this country of leveraging the power of public-private partnerships to achieve ends that neither government nor industry can do on its own. When you take one side of that away, you pull the rug out from under big initiatives that benefit all of us.

The people that drive innovation in our economy – from the National Lab and university scientists who push the frontiers of knowledge, to the venture capitalists who put their money on new concepts, to the industrial firms that scale-up manufacturing and infrastructure – all know that government has always played a critical role in making the U.S. the most dominant economy in the world. In fact, our oil, gas, coal and nuclear sectors are a direct result of that. It is time that we get serious about picking more winners and doing whatever it takes, from basic and applied research all the way to innovative financing and tax instruments, to ensure that the U.S. has cleaner, more sustainable, and more affordable energy for generations to come.

With that, I yield back the balance of my time.