

OPENING STATEMENT

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Subcommittee on Environment,
Committee on Science, Space, and Technology

“U.S. Energy Information Administration Report:
Analysis of the Impacts of the EPA’s Clean Power Plan”

June 24, 2015

Thank you, Mr. Chairman, and thank you to our witnesses for being here today to discuss the EPA’s Clean Power Plan and the Energy Information Administration’s analysis of the proposed rule.

The mission of EPA is simple – to protect human health and the environment. The goal of the Clean Power Plan is equally simple — to cut carbon emissions from the largest source, the energy sector, so that we can lessen the effects of climate change on our states, our country, and our planet.

The need to reduce greenhouse gas emissions is broadly accepted, and the consequences of inaction recognized, including in public comments on the proposed rule submitted by 14 states, including my home state of Oregon. In those comments, the states highlight the negative effects they are experiencing from the changing climate. They outline the harm of increased wildfires, severe drought, heatwaves, rising seas, and more severe weather events. They state that “these impacts are directly harming the health and welfare of residents in our states and causing significant economic damage.”

These 14 states are supportive of EPA’s Clean Power Plan, indicating that the “proposed rule represents the most significant component of our national effort to reduce carbon emissions throughout our economy.” And the good news is that they have not been waiting for the federal government to take action.

In 2007, Oregon set an ambitious goal of reducing statewide emissions 75 percent below 1990 levels by 2050; a companion bill set the goal of having up to 25% of energy generated through renewable sources by 2025. I’m proud to say that in 2010, Oregon achieved its first milestone — it stopped the growth of greenhouse gas emissions and began cutting carbon pollution.

Some contend that environmental regulations might hurt the economy. This hasn’t been the case in Oregon. Through the implementation of energy efficiency and renewable energy policies, Oregon has produced more than 2,000 full-time jobs, added more than \$2. billion to the state’s economy, and customers have saved on their energy bills.

Fortunately, Oregon does not stand alone in its success of cutting carbon pollution and strengthening its economy, and I’m looking forward to learning more from Dr. Tierney about her examination of the states involved in the Regional Greenhouse Gas Initiative (REGGI.)

Turning back to the focus of today's hearing, EIA's analysis of the Clean Power Plan, we find additional support for the idea that we can achieve meaningful carbon reductions with minimal effect on the economy. EIA's analysis shows that under the Clean Power Plan, carbon pollution will be reduced by 34 percent by 2030 and we will reach the same level of GDP just 15 days later than we would if the proposed rule was not implemented. Furthermore, the EIA's analysis does not take into account the health benefits associated with the proposed rule; if those values, which EPA estimates at between \$49 and \$84 billion in 2030, were factored in, we'd likely see increased expansion of the economy.

EIA's analysis also highlights the important role that renewable energy technologies will play in cutting carbon emissions. Again, contrary to the opinion that regulations harm the economy, new and innovative technologies are born from regulatory incentives, and are a key component of achieving reductions in carbon emissions.

The Clean Power Plan provides flexibility to states, and I'm looking forward to learning more about how states can meet their obligations under the proposed rule. Additionally, I'd like to get a better understanding of the assumptions EIA used in its modeling and what additional information their model can and cannot tell us about the potential to reduce carbon emissions under EPA's Clean Power Plan.

Finally, I'd like to end by reiterating that past attempts to undermine environmental regulation with inaccurate and exaggerated claims have been proven wrong time and time again. We were told the lights would go out and that the economy would crash. We will likely hear those arguments again today, but since the passage of the Clean Air Act in the 1970s, the United States' economy has tripled in size.

The Clean Power Plan represents a critical first step in our efforts to reduce harmful pollution and combat the harm that we are seeing because of climate change. American ingenuity will allow us to be global leaders in these efforts and in the creation of the clean energy economy. We can and must do better for current and future generations.

Thank you, Mr. Chairman, and again thank you to our witnesses for being here this morning.

I yield back the balance of my time.