



April 9, 2013

Opening Statement of Chairman Ron Wyden

The committee meets this morning to consider the nomination of Dr. Ernest Moniz to serve as Secretary of the Department of Energy.

This job will put Dr. Moniz at the center of some of the most pressing issues facing the U.S. economy and environment: how to manage newly accessible reserves of natural gas, combatting climate change, making our economy more efficient and supporting new energy technologies.

I believe our country needs energy transitions America to a lower-carbon economy and is built on three pillars: strong economic growth, reductions in greenhouse gas emissions, and energy innovation.

It's no accident that the early focus of this committee's agenda centers squarely on those matters.

Our first hearing focused on natural gas. Technological advances in recent years have allowed our country to tap into reserves of natural gas that were previously uneconomic. Now, this resource has the potential to provide our country with a lasting economic advantage, both for manufacturers and steel companies, as well as families and businesses that can save on their power bills. These savings can make a real difference in today's tight budget climate. Last week I visited Pilot Butte Middle School in Central Oregon, which cut its energy bill by more than 35 percent in the past year due to low natural gas prices.

As the Washington Post reported just last week, European industry flocks to our country to take advantage of cheaper gas. That's just the latest in a wave of good news gas stories. At present the Energy Department faces crucial decisions about how much of that gas to export abroad. I intend and I know the committee will to ask Dr. Moniz his thoughts about how to preserve that advantage for American consumers and businesses.

Just as important as economic benefits, however, natural gas also has the potential to bolster America's standing on the issue of climate. In fact, the Energy Information Agency reported on Friday that U.S. carbon emissions last year dropped to the lowest level since 1994, thanks largely to the rise of natural gas.

There are certainly questions about the climate impacts of methane leaks and flaring, among others, yet if policymakers address those environmental issues responsibly, natural gas can provide clean-burning baseload power that emits 50% fewer greenhouse gasses than traditional fossil fuels. Agreement among stakeholders on practical environmental protections can give certainty to natural gas producers and maximize the benefits of domestic shale gas.

That's just in the short term. To make a larger impact on climate change, our country needs more renewable power. Natural gas plants can serve as an ideal partner to intermittent renewables like solar and wind, because they can come online and power down quickly.

Our country needs to reduce our carbon footprint.

The draft U.S. National Climate Assessment, issued earlier this year, starkly lays out the impacts the country can expect from a changing climate. In my part of the world, for example, the Pacific Ocean along the Oregon coast is projected to rise by two feet by 2100.

But addressing climate is not just an issue of avoiding natural disasters; it's also critical to maintaining our nation's competitive advantage in a tough global economy.

Today, low cost natural gas provides our nation's economy with a competitive advantage. However, new technological breakthroughs could put our competitive advantage at risk in the foreseeable future.

Congress, in writing the 2007 energy bill, did not anticipate the natural gas revolution. A lot of major industry figures didn't either. The challenge now is to find policies that can spark a similar revolution in renewable energy. As a technological insurance policy, it makes sense to pursue policies to transition to a lower-carbon economy to ensure that we don't lose our competitiveness in the global economy.

Only the Congress has the tools to address the global nature of this issue and pursue a solution that will reduce domestic emissions while also keeping our economy competitive.

Renewables must be part of that solution.

The committee this month will take up bills that will encourage hydropower and geothermal, which we would call the forgotten renewables. Every electron of renewable power on the grid represents points on the board against climate change, so our country does have the potential to maximize the potential of all kinds of clean energy. We will also look at the implications of tax reform, which can encourage renewables as well.

When it comes to clean energy, another big challenge you will face as Secretary of Energy is dealing with the DOE loan programs. The bottom line is that taxpayers need a lot more protections when it comes to Federal financing. It is also clear that there is a big difference between investing in windfarm that has a customer and power purchase agreement on Day 1, compared with investing in a manufacturing plant to make a commercially untested product. In a very important hearing that was chaired by Chairman Bingaman, I asked Herb Allison, the former Wall Street executive and Bush Administration official who critiqued the loan program, whether or not the DOE loan program ought to be carved into separate financing programs based on the financial and technical risk. Mr. Allison thought that idea made a lot sense. I am going to be asking you what your views are on reforming the DOE loan programs.

The committee will also take up an efficiency bill crafted by Senators Shaheen and Portman, which could result in major energy savings, as well cutting carbon emissions and reducing the need to build new power plants. Those kinds of advances are often the lowest-cost answer to energy, and ones the U.S. can't afford to pass up.

Finally, any serious effort to build a lower-carbon economy has to address the matter of nuclear energy.

Questions have arisen about how to dispose of nuclear waste and this has raised important matters with respect to how to proceed on the issue. That's why Senator Murkowski, along with Senators Feinstein, Alexander and I have been working for months on a long-term answer to that decades-old problem. I'm hopeful we'll have a proposal in the coming weeks that builds on work by the previous chairman, Jeff Bingaman, and the president's Blue Ribbon Commission.

Finally, as Congress works to address nuclear waste from civilian reactors, it is just as important that the Energy Department takes responsibility for the legacy of contaminated waste sites like Hanford. As the Defense Nuclear Facilities Safety Board wrote in a letter last week, despite billions of dollars that have been spent to clean up the radioactive waste there, there are a host of unresolved issues. The first one on the list was hydrogen build-up that could cause explosions in waste tanks. This is an issue that this committee talked about in this very room 16 years ago.

Dr. Moniz, we've had some spirited conversations about Hanford in the past, and I think we agree we'll have more in the future. It is flatly unacceptable that DOE still has no acceptable plan for cleaning up hazardous waste on the banks of the Columbia River, half-a-century after the contamination occurred and more than a decade since you served as Undersecretary of Energy. I'm looking forward to hearing what you will do as Secretary to respond to these issues and more.