

**U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY  
Subcommittee on Energy**

**OPENING STATEMENT OF SUBCOMMITTEE CHAIRMAN LUMMIS**

*Federal Financial Support for Energy Technologies: Assessing the Costs and Benefits*

Good afternoon and welcome to today's Energy Subcommittee hearing on *Federal Financial Support for Energy Technologies: Assessing the Costs and Benefits*.

Building on our broad examination of *America's Energy Outlook* a few weeks ago, this is the second stage-setting hearing. We will focus today on the amount and effectiveness of various forms of financial support for energy technologies. I hope these overview hearings will prove informative and valuable as we pivot to specific legislative activities within our research and development-focused jurisdiction.

The topic of today's hearing is particularly timely, as federal spending and budget prioritization receive extra attention following the recent implementation of the budget sequester and release of House Republicans' FY14 budget.

A central component of the House Republican Budget is to open more Federal lands to energy development. I advocate for this priority because it will accelerate our path to energy independence, create jobs, contribute greatly to deficit reduction, and can be done while conserving our public lands and open space for future generations.

As we will hear today from the Congressional Budget Office, Federal energy tax subsidies will total more than \$16 billion in 2013, up from just \$5 billion in 2005. This increase reflects President Obama's interest in rapid deployment of green energy technologies

January's "fiscal cliff" deal is a prime example. The White House was reportedly "absolutely insistent" that the package extend and expand the Production Tax Credit (PTC) for renewable energy. This one year extension will cost taxpayers at least \$12 billion.

Meanwhile, the Administration is complaining loudly about cuts to areas such as national parks, science, oil and gas permitting, and even White House tours.

Another example is the alternative vehicle tax credit, which provides \$7,500 toward the purchase of alternative vehicles such as the \$40,000 Chevy Volt and \$100,000 Fisker Karma. GM reports the average Volt owner earns \$170,000 per year. The Karma is even more exclusive, only the

rich or the famous can afford them. As was pointed out by the Journal of Industrial Ecology, electric vehicles do not reduce carbon emissions significantly, calling into question the entire justification for spending this money in the first place.

Right now, natural gas vehicles can run on a ninety-nine cent per gallon of oil-equivalent fuel. Now that price will transform the cost of living for single moms and hard working taxpayers.

Government should work to ensure that Americans have access to abundant, affordable, reliable energy, and target taxpayer resources to fundamental research that could one day enable these technologies to compete without expensive subsidies or mandates. Doing so would not only help bring energy independence and grow our economy, but it would bring revenue to the Treasury.

I thank our witnesses for joining us today and look forward to a productive discussion.

I now recognize Ranking Member Swalwell for an opening statement.