The Cost of the Biden-Harris Administration Energy Policies

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Chairman Arrington, Ranking Member Boyle, Members of the Committee, I am honored to be invited to testify before you today on the subject of "The Cost of the Biden-Harris Administration's Energy Policies." I am the director of the Center for Energy, Climate, and Environment at The Heritage Foundation. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

In addition to my position at The Heritage Foundation, I am an adjunct professor of economics at George Washington University. My professional training is in economics. From 2019 to 2021, I was deputy assistant secretary for research and technology at the U.S. Department of Transportation. Previous executive branch positions include acting assistant secretary for economic policy at the U.S. Department of the Treasury (2018-2019); chief economist at the U.S. Department of Labor (2003-2005); chief of staff of the Council of Economic Advisers (2002-2003); and deputy executive secretary of the White House Domestic Policy Council and associate director for policy planning (1991-1993).

President Joe Biden has repeatedly described the climate crisis as "an existential threat," worse than nuclear weapons. The Biden-Harris administration has used the so-called existential climate crisis to reduce domestic oil and natural gas production and expand dramatically the power of different executive branch agencies with the object of increasing the use of renewables, electric vehicles, and electric appliances.

The focus on renewables and electrification will only have a fractional effect on global temperatures, but it has had two major separate consequences. First, it has raised Americans' electricity and transportation bills. Second, it has given more economic power to China, which makes wind turbines, solar panels, battery components, and electric vehicles.

In my testimony I first explain how the Biden-Harris administration has achieved energy price increases in the absence of explicit direction from Congress. Second, I describe increases in costs for everyday Americans. Third, I outline the benefits of the Biden-Harris energy policies for China. Finally, I present conclusions and recommendations.

Regulatory Overreach Results in Higher Prices

The Biden-Harris administration is promulgating regulations from agencies including the Environmental Protection Agency, the Council on Environmental Quality, the Office of Comptroller of the Currency, the Securities and Exchange Commission, and the Federal Energy Regulatory Commission.

This creeping overreach, not envisaged by Congress in the original missions or purposes of these agencies, has driven up the price of energy and energy-related products.

Mr. Chairman and Ranking Member Boyle, this overreach is sometimes used when your committee and other committees decide not to vote bills out of committee and Congress declines to pass resulting bills into law. Rather than accepting the decision of Congress, the president

takes matters into his own hands with rules or guidance from executive branch agencies. The result is policies outside of congressional authorization.

Executive branch overreach makes headlines regularly in the areas of immigration and student loan forgiveness, the latter which has been paused by the Supreme Court. Energy actions do not garner the same headlines, but they affect everyone. Poorly-considered policies are forcing all Americans to pay more for electricity and transportation, for no benefit—because the new regulations will have a minimal effect on global temperatures. These costs are falling disproportionately on the poor, who pay a higher share of their income in food and energy costs, as well as on small businesses and farmers who rely on transportation and electricity for their livelihoods.

The Environmental Protection Agency's attempt to regulate regional emissions through a novel interpretation of the Clean Air Act, known as the Clean Power Plan,[1] proposed in 2015 under President Barack Obama, was deemed executive overreach by the Supreme Court in *West Virginia* v. *Environmental Protection Agency.* Ruling 6–3 on June 30, 2022, the Supreme Court decided that the Clean Air Act does not allow the EPA to move from regulating individual power plants to regulating regional emissions.[2]

Rather than accepting the Supreme Court verdict, the Environmental Protection Agency in May, 2024, issued a new final power plant rule.[3] The new rule requires all coal-fired power plants and some natural gas fired power plants to sequester, or bury, 95 percent of their CO2 emissions by 2032, or close down operations by 2040. Coal-fired power plants, which currently produce 16 percent of America's electricity, cannot now meet this rule, because the carbon sequestering technology is not practicable. The EPA expects all of them to close down. In its cost benefit analysis, the EPA lowers the cost of the technology by including tax credits, which have to be paid by taxpayers.

This new rule might also contradict the Supreme Court's approach in *West Virginia v. Environmental Protection Agency*, which found the EPA's rulemaking to be an example of "agencies asserting highly consequential power beyond what Congress could reasonably be understood to have granted."[4] If the Court had found the other way, the EPA could have changed the entire vehicle fleet to electric vehicles through a change in a regulation.

Without congressional approval, President Biden also recommitted the United States to the international Paris Agreement, a United Nations international treaty which aims to lower

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[1] Environmental Protection Agency, "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units," *Federal* Register, Vol. 80, No. 205 (October 23, 2015), pp. 64662–64964, https://www.gpo.gov/fdsys/pkg/FR-2015-10-23/pdf/2015-22842.pdf (accessed May 9, 2023).
[2] Supreme Court of the United States, West Virginia v. Environmental Protection Agency, 597 U.S. 697 (2022).
[3] Environmental Protection Agency, "New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule," *Federal Register*, Vol. 89, No. 91 (May 9, 2024), pp. 39798–40064, https://www.govinfo.gov/content/pkg/FR-2024-05-09/pdf/2024-09233.pdf. (accessed September 16, 2024).
[4] Supreme Court of the United States, West Virginia v. Environmental Protection Agency, 597 U.S. 697 (2022).

emissions of carbon in order to reduce global temperatures.[5] The Biden-Harris administration pledged to reduce U.S. greenhouse gas emissions by 50 percent, to 52 percent below 2005 levels by 2030. In order to do that, President Biden aimed to decarbonize the electricity grid by 2035, and achieve NetZero by 2050.

Dr. Kevin Dayaratna, chief statistician and senior research fellow at The Heritage Foundation, estimated that the economy would lose $7.7 trillion in GPD through 2040 if these goals were achieved.[6] However, this loss in GDP would result in practically no changes in global temperatures. Dayaratna's research shows that even completely eliminating all fossil fuels from the United States would result in less than 0.2 degrees Celsius in temperature mitigation by 2100.[7]

Through regulations and executive orders, the Biden-Harris administration seeks to follow rules in California seeking to reduce emissions—laws that Congress would not pass.[8] Specifically, in August 2021 the California Air Resources Board[9] discussed draft regulations to implement Governor Gavin Newsom's Executive Order[10] that all new vehicles sold in the Golden State be electric by 2035 and a ban on the sale of diesel trucks by 2036. These rules were finalized in 2022 by the California Air Resources Board, which has the authority to impose them without a vote from the California State Assembly.[11] Sixteen other states and the District of Columbia voluntarily signed up to follow California regulations, but Virginia exited the group in June, 2024.[12]

The Environmental Protection Agency and the U.S. Department of Transportation followed with new final regulations[13] on automobile emissions that would require new car sales to be 70

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[5] United Nations Climate Change, "Key Aspects of the Paris Agreement," https://unfccc.int/most-requested/key-aspects-of-the-paris-agreement.

[6] Kevin D. Dayaratna, PhD, Katie Tubb, and David Kreutzer, "The Unsustainable Costs of President Biden's Climate Agenda," Heritage Foundation *Backgrounder* No. 3713, June 16, 2022, https://www.heritage.org/sites/default/files/2022-06/BG3713_0.pdf (accessed September 16, 2024).

[7] Ibid.

[8] The White House, "Fact Sheet: President Biden Announces Steps to Drive American Leadership Forward on Clean Cars and Trucks," August 5, 2021, https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/05/fact-sheet-president-biden-announces-steps-to-drive-american-leadership-forward-on-clean-cars-and-trucks/ (accessed May 9, 2023).

[9] California Air Resources Board, "Public Workshop on Advanced Clean Cars II," August 11, 2021, https://ww2.arb.ca.gov/events/public-workshop-advanced-clean-cars-ii-0 (accessed May 9, 2023).

[10] Executive Department State of California, "Executive Order N-79-20," September 23, 2020, https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf (accessed May 9, 2023).

[11] California Air Resources Board, "California Moves to Accelerate to 100% New Zero-Emission Vehicle Sales by 2035," August 25, 2022, https://ww2.arb.ca.gov/news/california-moves-accelerate-100-new-zero-emission-vehicle-sales-2035.

[12] California Air Resources Board, "States That Have Adopted California's Vehicle Regulations," June 2024, https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/states-have-adopted-californias-vehicle-regulations.

[13] Environmental Protection Agency, "Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles," *Federal Register*, Vol. 89, No. 76 (April 18, 2024), https://www.govinfo.gov/content/pkg/FR-2024-04-18/pdf/2024-06214.pdf (accessed April 28, 2023); Department of Transportation, National Highway Traffic Safety Administration, "Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027– 2032 and Fuel Efficiency Standards for Heavy-Duty

percent battery powered electric or plug in hybrid by 2032, compared to 7 percent in 2023. However, there are several reasons why many Americans prefer cars with an internal combustion engine.

New electric vehicles cost more than gasoline-powered vehicles. The electric version of a base Ford 150 pickup truck, the best-selling vehicle in America, costs an additional $26,000.[14] Tesla's base prices start at about $40,000 for a Model 3 and go up to almost $100,000 for a Model X.[15] These are staggering costs to impose on American families.

Further, 71 percent of vehicles sold are previously owned cars. In 2023 Americans bought 15 million new cars[16] and 36 million used cars.[17] But people do not want to buy used electric vehicles, because it is difficult to evaluate how long the battery will last. Replacing an EV battery can cost anywhere from $5,000 to $20,000.[18] The poor and the middle class will suffer most from higher prices for used vehicles, because they cannot afford the new electric vehicles.

Recharging an electric vehicle from empty can take over an hour, compared to 5 minutes to fill up with gas.[19] If there is a line to use the charging station the wait can double. Manufacturers suggest not allowing EV batteries to go below 20 percent, and the charging rate goes down when it is charged over 80 percent.[20] Throughout America the poor rarely have access to indoor garages for overnight charging, and in most large cities, such as New York City, the middle-class also have no access to indoor charging. Using charging stations on the street, if available, risks theft of expensive charging cables.

Battery-powered vehicles lack sufficient range to satisfy most customers. Although 60 to 70 miles of range is enough for most trips, people buy cars for all circumstances, including long trips and cold weather. Batteries lose up to 40 percent of their range in cold climates and

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Pickup Trucks and Vans for Model Years 2030–2035; Correction," *Federal Register*, Vol. 89, No. 145 (July 29, 2024), https://www.govinfo.gov/content/pkg/FR-2024-07-29/pdf/2024-16240.pdf.

[14] Ford Motor Company, Models & Specs, "2023 F-150 XL," https://www.ford.com/trucks/f150/models/?gnav=vhpnav-specs (accessed April 28, 2023); Ford Motor Company, Models & Specs, "2023 F-150 Lightning Pro," https://www.ford.com/trucks/f150/f150-lightning/models/?gnav=vhpnav-specs (accessed April 28, 2023).

[15] Tesla, "Model 3, Purchase Price," https://www.tesla.com/model3/design#overview (accessed April 28, 2023); and Tesla, "Model X, Purchase Price," https://www.tesla.com/modelx/design#overview (accessed April 28, 2023).

[16] Cox Automotive, "New-Vehicle Sales Hit Double-Digit Increase," March 20, 2024, https://www.coxautoinc.com/market-insights/new-vehicle-sales-hit-double-digit-increase/ (accessed September 16, 2024).

[17] Cox Automotive, "Estimated Monthly Used-Vehicle SAAR and Volume," January 16, 2024, https://www.coxautoinc.com/market-insights/estimated-monthly-used-vehicle-saar-and-volume/ (accessed September 16, 2024).

[18] John Witt, "Electric Car Battery Replacement Costs," Recurrent, June 24, 2024, https://www.recurrentauto.com/research/costs-ev-battery-replacement (accessed April 28, 2023).

[19] Lazar, "How Long Does It Take to Refuel a Gasoline Car? GasAnswer, https://gasanswer.com/how-long-take-refuel-gasoline-car/ (accessed April 28, 2023).

[20] Sebastian Blanco, "How to Maximize EV Range," J.D. Power, July 20, 2022, https://www.jdpower.com/cars/shopping-guides/how-to-maximize-ev-range (accessed April 28, 2023).

manufacturers suggest using heating systems.[21] A study by Autocar[22] shows that electric vehicles lose, on average, a third of their range in the winter, which reduces the typical 240-mile range to 160 miles. If a heat pump is added to the car, the loss is less, but still the 240-mile range would shrink to 180.

Car results varied. The Fiat 500 42kWh Icon lost 40 percent of its range in the winter.[23] The Ford Mustang Mach-E Extended Range RWD lost 35 percent, and the Porsche Taycan 4S Performance Battery Plus, with heat pump, lost 22 percent (the Taycan costs between $83,000 and $166,000).[24] The loss of range in cold weather is one reason why, at the end of 2023, the latest full year available, North Dakota had 1,000 electric vehicle registrations; Wyoming had 1,100; and South Dakota had 1,700 vehicles; and Alaska had 2,700.[25]

Charging will also cost more, due to new power plant rules discussed above. Drivers will find it more expensive to use electricity for all purposes, including charging their electric vehicles, harming poor and middle-class drivers the most.

The Council on Environmental Quality, part of the Executive Office of the President, issued new guidance[26] on January 9, 2023, requiring federal agencies to use the National Environmental Policy Act (NEPA) process to reduce emissions from greenhouse gases. That means that projects that result in higher greenhouse gas emissions will find it harder to get NEPA approval. The guidance takes effect immediately, without waiting for CEQ to address the comments. Some agencies are including in their compliance with NEPA factors that Congress did not originally intend. This is an example of a harmful, arbitrary, and capricious policy.

Other Executive Branch agencies are deviating from traditional roles of approving investments and instead are slowing production and transportation of oil and natural gas. For instance, the Federal Energy Regulatory Commission proposed a new policy[27] on February 17, 2022, that would have made it even harder to put new pipelines in place to carry oil and gas from the interior of the country to the coasts, where it can be exported. FERC was intending to "consider a proposed project's impacts on existing pipelines" as well as the environmental effects of the new pipeline. The February 2022 policy statement was pulled back and deemed a "draft" in March of

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[21] Ellen Edmonds, "Icy Temperatures Cut Electric Vehicle Range Nearly in Half," AAA News Room, February 7, 2019, https://newsroom.aaa.com/2019/02/cold-weather-reduces-electric-vehicle-range/ (accessed April 28, 2023).
[22] Move Electric, "Electric Vehicle Range Test Reveals Up to 20% Drop in Winter," Autocar, March 17, 2022, https://www.autocar.co.uk/car-news/move-electric/electric-vehicle-range-test-reveals-20-drop-winter (accessed April 28, 2023).

[23] Ibid.
[24] Ibid.
[25] U.S. Department of Energy, Office of Energy Efficiency & Renewable Energy, https://afdc.energy.gov/transatlas#/?state=US (accessed April 28, 2023).
[26] Council on Environmental Quality, "National Environmental Policy Act Guidance on Consideration of Greenhouse Gas Emissions and Climate Change," *Federal Register*, Vol. 88, No. 5 (January 9, 2023), pp. 1196–1212, https://www.federalregister.gov/documents/2023/01/09/2023-00158/national-environmental-policy-act-guidance-on-consideration-of-greenhouse-gas-emissions-and-climate (accessed May 9, 2023).
[27] Federal Energy Regulatory Commission, "Fact Sheet: Updated Pipeline Certificate Policy Statement (PL18-1-000)," February 17, 2022, http://www.ferc.gov/news-events/news/fact-sheet-updated-pipeline-certificate-policy-statement-pl18-1-000 (accessed May 9, 2023).

2022 due to public pressure. Even though the policy statements have been downgraded to "draft" status, they have not been officially withdrawn, and regulatory uncertainty at FERC is slowing the development of pipelines.[28]

The Interior Department has issued a Report on the Federal Oil and Gas Leasing Program,[29] calling for fewer leases, higher royalties from oil and gas leases, and a more thorough bidding process to screen buyers. It proposed that oil and gas drilling not be a priority, and its recommendations would make it more difficult to drill. This interference with America's energy production makes it more difficult for companies to flourish and consumers to get affordable energy.

In the finance area, outside of its statutory authority, the Securities and Exchange Commission Chairman Gary Gensler has issued a final climate disclosure rule to require companies to disclose information about the following: governance and management of climate-related risks; how climate related risks will affect companies' strategy and outlook; and the effects of climate events such as hurricanes and wildfires on financial statements. [30] This rule, if it were to take effect, would reduce America's energy independence and make it more difficult to get capital for fossil fuel investments. However, the rule was stopped by an order from the Fifth Circuit Court of Appeals in April 2024.[31]

The Office of the Comptroller of the Currency, which regulates banks, has appointed a Chief Climate Risk Officer to assess and to monitor climate-driven risks to banks. Dr. Yue Chen is an engineer, with a bachelor's degree in chemical engineering from Tsinghua University in China and a Ph.D. in chemical engineering from the Massachusetts Institute of Technology.[32] Monitoring climate risks to bank lending and assets will have the effect of discouraging investments in fossil fuels and will allow the investigation of companies and banks that it believes are making the wrong investments.

The Defense Department, whose mission is to defend the United States, wants to use biofuels to make its military vehicles and jets more climate friendly. Such vehicles are less resilient and more costly, so the Pentagon would be able to afford fewer of them, with major effects on national security.

The Federal Trade Commission is considering investigating oil and gas companies for price gouging—even though people know that lower supply always leads to higher prices.

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[28] James P. Danly, "Written Testimony of James P. Danly Commissioner, Federal Energy Regulatory Commission Before the Committee on Energy & Natural Resources," U.S. Senate, May 4, 2023, https://www.energy.senate.gov/services/files/0A896B12-2895-4F68-A367-74009F2975C4 (accessed May 9, 2023).
[29] President Joseph R. Biden Jr., "Executive Order 13990: Protecting Public Health and the Environment and Restoring Science To Tackle the Climate Crisis," *Federal Register*, Vol. 86, No. 14 (January 20, 2021), https://www.govinfo.gov/content/pkg/FR-2021-01-25/pdf/2021-01765.pdf (accessed May 9, 2023).
[30] Securities and Exchange Commission, "The Enhancement and Standardization of Climate-Related Disclosures for Investors; Delay of Effective Date," *Federal Register*, Vol. 89, No. 72 (April 12, 2024), p. 25805, https://www.govinfo.gov/content/pkg/FR-2024-04-12/pdf/2024-07648.pdf (accessed September 16, 2024).
[31] *Liberty Energy, Inc. v. Sec. & Exch. Comm'n*, No. 24-60109, 2024 WL 1152283, at *1 (5th Cir. Mar. 15, 2024).
[32] Office of the Comptroller of the Currency, "OCC Announces Chief Climate Risk Officer," September 12, 2022, https://www.occ.gov/news-issuances/news-releases/2022/nr-occ-2022-110.html (accessed May 9, 2023).

Costs of Energy

When federal agencies exceed their authority, opportunities for ordinary people are stifled. Severe, government-imposed cuts in carbon emissions raise the cost of electricity and American-made goods. In any case, carbon emissions are declining naturally without the plan. Emissions of energy-related carbon dioxide declined by 18 percent from 2007 to 2021, according to the Energy Information Administration.[33] Between 2014, when the Clean Power Plan was proposed, and 2021, four years after the Trump administration rescinded it, these emissions fell by 9 percent.[34]

Increasing pressures on energy prices started early in the Administration. On his first day in office, President Biden revoked the permit for the Keystone XL pipeline, which would have brought 850,000 barrels of oil per day from Canada to be refined in U.S. refineries.[35] This reduced energy independence, and higher gasoline prices and inflation soon followed. The Biden-Harris administration then asked Saudi Arabia and Venezuela to produce more oil. In addition to eliminating the Keystone XL pipeline, the Biden-Harris administration has reduced oil and gas production by expanding the boundaries of the Grand Staircase-Escalante, Bears Ears, Northeast Canyons, and Seamounts Marine National Monuments, preventing oil and natural gas production in those areas.[36]

The residential cost of electricity has risen by 32 percent since January 2021, and the price of gasoline has risen by 50 percent, far more than average price increases of 20 percent.

With 50 states, each with their own ways of producing electricity, it is possible to see that the required use of renewables leads to higher prices. This is because intermittent energy is more complicated to produce than continuous energy. The wind blows for free, and the sun shines for free, but integrating their energy into the electricity grid is more complicated and costly than running a natural gas generator continuously.

Table 1 shows residential electricity prices and gasoline prices by state. Only 6 states in the bottom 25 states require the use of renewables, and only 3 of these states have requirements for renewables to be 40 percent or greater of electricity production. In contrast, 21 of the top 25 states are aiming for a required share of electricity produced by renewables, and 13 states have requirements for 40 percent or more renewables.

As mentioned above, new electric vehicles are more expensive than their gasoline-powered equivalents, and buying a used EV carries risks of short battery life.

Auto workers are losing jobs as companies switch from gasoline-powered vehicles to electric. In August Stellantis announced that it would lay off 2,500 workers from the Ram plant in

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[33] U.S. Energy Information Administration, "U.S. Energy-Related Carbon Dioxide Emissions, 2023," Figure 1, April 25, 2024, https://www.eia.gov/environment/emissions/carbon (accessed May 9, 2023).
[34] Ibid.
[35] President Joseph R. Biden Jr., "Executive Order 13990: Protecting Public Health and the Environment and Restoring Science To Tackle the Climate Crisis," *Federal Register*, Vol. 86, No. 14 (January 20, 2021), https://www.govinfo.gov/content/pkg/FR-2021-01-25/pdf/2021-01765.pdf (accessed May 9, 2023).
[36] Ibid.

Michigan. It closed a plant in Illinois in 2023. General Motors and Ford are also laying off workers as part of their move to make more battery-powered vehicles.

United Auto Workers president Shawn Fain, a Democrat, said in a statement on April 26, 2023, "Stellantis' push to cut thousands of jobs while raking in billions in profits is disgusting. This is a slap in the face to our members, their families, their communities, and the American people who saved this company 15 years ago. Even now, politicians and taxpayers are bankrolling the electric vehicle transition, and this is the thanks the working class gets. Shame on Stellantis."[37]

Biden-Harris Energy Policy Strengthens China

The Biden-Harris administration's plan to transition away from fossil fuels is making the United States weaker and China stronger. As stated above, this will have no noticeable effects on global temperatures, using the Model for the Assessment of Greenhouse Gas Induced Climate Change developed by researchers at the EPA, which is used for such calculations at the Heritage Foundation.

Green policies will make America dependent on China and harm American energy, economic, and national security. The U.S. is currently one of the largest energy producers in the world, which should be a significant advantage over China, which is the world's largest energy importer. But China is trying to turn the tables by dominating the green energy infrastructure mandated by American politicians, and to which the American left is addicted.

Government overreach is reducing America's energy independence and strengthening China, which makes nearly 80 percent of the world's electric batteries,[38] over 80 percent of global solar panels,[39] and almost 60 percent of wind turbines.[40]

This is especially troubling because the Chinese Communist Party (CCP) is a totalitarian regime which has a poor record both on the environment and on human rights. Beijing is engaged in genocide against the minority Uyghur people of Xinjiang and has imposed draconian restrictions on political freedoms in Hong Kong.[41] The CCP has reduced or eliminated religious liberties for Christians and Buddhist worshippers of the Dalai Lama throughout Tibet,[42] and is now censoring

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[37] United Auto Workers, "UAW Statement on Job Cuts at Stellantis," April 26, 2023, https://uaw.org/uaw-statement-job-cuts-stellantis/ (accessed May 1, 2023).
[38] International Energy Agency, *Global Supply Chains of EV Batteries*, July 2022, p. 2, https://iea.blob.core.windows.net/assets/4eb8c252-76b1-4710-8f5e-867e751c8dda/GlobalSupplyChainsofEVBatteries.pdf (accessed May 9, 2023).
[39] International Energy Agency, *Special Report on Solar PV Global Supply Chains*, July 2022, p. 7, https://iea.blob.core.windows.net/assets/d2ee601d-6b1a-4cd2-a0e8-db02dc64332c/SpecialReportonSolarPVGlobalSupplyChains.pdf (accessed May 9, 2023).
[40] International Energy Agency, "Geographic Concentration by Supply Chain Segment, 2021," Updated January 12, 2023, https://www.iea.org/data-and-statistics/charts/geographic-concentration-by-supply-chain-segment-2021 (accessed May 9, 2023).
[41] James J. Carafano, PhD, Michael Pillsbury, PhD, Jeff M. Smith, and Andrew J. Harding, *Winning the New Cold War: A Plan for Countering China*, Heritage Foundation *Special Report* No. 270, March 28, 2023, p. 24, https://www.heritage.org/sites/default/files/2023-07/SR270.pdf (accessed April 28, 2023).
[42] Ibid., p. 3.

churches in mainland China. Empowering the Chinese government is fundamentally at odds with "good corporate governance."

Due to Biden-Harris regulations, America will depend on energy from China rather than using its own oil and natural gas resources. In order to produce supplies of renewables, China is increasing its construction of coal-fired power plants. America has 210 coal-fired power plants, and China has 1,142 (half of all the coal-fired plants in the world).[43] That is one reason why China has increased carbon emissions by 9,000 million metric tons over the past 16 years.[44] In contrast, America's carbon emissions have declined by over 1,000 million metric tons over the same period due to the use of clean natural gas.[45]

A new report by The Heritage Foundation, *How the Forced Energy Transition and Reliance on China Will Harm America*,[46] published in August, which I coauthored with Heritage Foundation economic analysis Miles Pollard, shows how America's environmental policies benefit China and harm America.

Without gasoline to power cars, mining is essential. Minerals such as lithium and cobalt are essential for batteries, and mining for these minerals is energy intensive. The CCP has substantial access to global mineral sources for battery production, resulting in a loss of American independence. Lithium is mined in western China's Qinghai Province, aided by government funding, and China purchases cobalt for electric batteries from Kisanfu, in the Democratic Republic of Congo.[47]

The U.S. government makes opening new mines in the United States virtually impossible, even though the jobs generated would help all Americans, particularly the poor and the middle class. Thus, the rule will result in a massive increase in mining in countries that have no respect for the environment or human welfare. The mining of minerals as a result of the rule will be bad for the environment and is frequently performed by child workers.

The goals of American energy policy should be: 1) to remain energy independent using domestic sources of legacy fuels and nuclear power; 2) to foster affordable, abundant, and reliable energy, both domestically and among allies, and 3) to avoid dependency on China's green energy industry.

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[43] Statista Research Department, "Countries And Territories with the Largest Number of Operational Coal Power Plants Worldwide as of July 2023," Statista, July 2023, https://www.statista.com/statistics/859266/number-of-coal-power-plants-by-country/ (accessed September 17, 2024).
[44] U.S. Energy Information Administration, "International Emissions," https://www.eia.gov/international/data/world/other-statistics/emissions-by-fuel (accessed September 17, 2024).
[45] Ibid.
[46] James J. Carafano, PhD, Michael Pillsbury, PhD, Jeff M. Smith, and Andrew J. Harding, *Winning the New Cold War: A Plan for Countering China*, Heritage Foundation *Special Report* No. 270, March 28, 2023, https://www.heritage.org/sites/default/files/2023-07/SR270.pdf (accessed April 28, 2023).
[47] Dionne Searcey, Michael Forsythe, and Eric Lipton, "A Power Struggle Over Cobalt Rattles the Clean Energy Revolution," *New York Times*, December 7, 2021, https://www.nytimes.com/2021/11/20/world/china-congo-cobalt.html (accessed April 28, 2023).

Under Chinese law, the CCP exerts influence over major Chinese enterprises, including forcing the transfer of any information related to "national security."[48] Nevertheless, under policies being adopted by the Biden-Harris administration, the United States becomes dependent on CCP-controlled supply chains essential for any so-called "green energy" transition. Recent U.S. government mandates requiring electrification[49] and a switch from domestic legacy fuels to wind and solar power[50] further exacerbate this dependency, aligning perfectly with CCP objectives outlined in its Made in China 2025 campaign.[51]

If continued, the Biden-Harris administration's extreme and progressive climate and energy policies will handcuff America to China's critical minerals, electronic components, and green energy industries, dangerously undermining U.S. national security. The imposition of mandatory electrification will weaken America's economy and disproportionately hurt lower-income Americans by raising energy and transportation costs.[52] China's predatory trade practices, its unyielding cyber aggression, and its advantages in supplies critical minerals and renewable supply chains give it an advantage over Western countries. Four more years of Democrat green energy policies will indebt the nation through subsidies and high energy costs while only reducing global temperatures by a fraction of a degree by 2100.[53]

Rather than fitting in with China's agenda, companies should reject environmental policies that raise the costs of doing business and favor the CCP. The rush to a green energy future, driven more by politics and virtue-signaling than economics and emissions reductions, will only enrich China at America's expense and place vital energy supply chains at mercy of Beijing.

China has not committed to reducing emissions. Americans, particularly poor and middle class, would be bearing major costs in higher electricity prices, higher food prices, and a forced switch to costly electric vehicles without benefits for the environment. They would pay the price for the Biden-Harris administration's energy agenda.

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[48] Scott Livingston, *The New Challenge of Communist Corporate Governance*, Center for Strategic and International Studies, January 2021, https://www.csis.org/analysis/new-challenge-communist-corporate-governance (accessed September 17, 2024).

[49] Regulations include Environmental Protection Agency, "Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles," *Federal Register*, Vol. 89, No. 76 (April 18, 2024), https://www.govinfo.gov/content/pkg/FR-2024-04-18/pdf/2024-06214.pdf (accessed September 17, 2024).

[50] Regulations include Environmental Protection Agency, "New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule," *Federal Register* Vol. 89, No. 91 (May 9, 2024), pp. 39798 – 40064, https://www.govinfo.gov/content/pkg/FR-2024-05-09/pdf/2024-09233.pdf (accessed September 17, 2024).

[51] U.S. Chamber of Commerce, *Made in China 2025: Global Ambitions Built on Local Protections*, March 16, 2017, https://www.uschamber.com/assets/archived/images/final_made_in_china_2025_report_full.pdf (accessed September 17, 2024).

[52] Ariel Drehobl, Lauren Ross, and Roxana Ayala, *How High Are Household Energy Burdens?*, American Council for an Energy-Efficient Economy, September 2020, p. 20, https://www.aceee.org/sites/default/files/pdfs/u2006.pdf (accessed September 17, 2024).

[53] Kevin Dayaratna, "Calculate the Temperature Changes for Alternative Carbon Dioxide-Reduction Policies," The Heritage Foundation, June 17, 2024, https://calculators.heritage.org/climate/calculate-the-temperature-changes-for-alternative-carbon-dioxide-reduction-policies/ (accessed July 24, 2024).

Cleaner air and efficient power generation are worthwhile goals. But so is the security that comes from the rule of law. The Supreme Court weighed in on that balance in 2022 and could weigh in further in the years ahead.

Conclusions and Recommendations

Politics is full of surprises. No one predicted that Russia would invade Ukraine, or that Hamas would invade Israel. But in the world of surprises, energy resilience and affordability should be a constant. What is a surprise is a manufactured crisis; countries and states within countries turning to renewables and seeing increased blackouts and higher electricity prices. America needs self-reliance. This means that baseload power, which comes from oil, gas, coal, and nuclear power, are more important than ever before.

Here are 18 recommendations to consider to ensure an affordable, resilient supply of energy.

1. Roll back mandates for renewable energy at the federal and state levels.

2. Roll back mandates for electric cars and trucks and pause Corporate Average Fuel Economy standards.

3. Roll back mandates for electric appliances, such as electric stoves, water heaters, and boilers.

4. Through legislation, roll back Zero Emission Vehicle mandates, which require automakers to purchase credits if they do not sell enough electric vehicles. (Legislation is needed because the Clean Air Act has been interpreted as authorizing the ZEV mandate.)

5. Produce more domestic oil and natural gas by expanding federal leasing, giving states more control over national monuments, and ending the role of climate czars in executive branch agencies.

6. Allow expanded permits for domestic mining of critical minerals.

7. Reform nuclear power regulation to encourage more nuclear power.

8. Allow expanded production of enriched uranium for commercial nuclear power.

9. Repeal all green subsidies and credits.

10. Pass fundamental tax reform that lowers tax rates, allows for full and complete expensing of equipment, research and development costs, and the cost of structures to encourage capital intensive industries to return to America.

11. Ban Chinese electric vehicles from sale in the United States, including imports from Mexico.

12. Put in place permitting reform to make it easier to construct infrastructure projects.

13. Require states to have detailed Integrated Resource Plans, namely roadmaps to meet forecasted energy demand on hottest and coldest days using both supply and demand side resources to ensure reliable service to customers in the most cost-effective way.

14. Establish a short phase-in plan that identifies what foreign-produced energy infrastructure equipment must be completely excluded from the United States, and what must be manufactured domestically, on national security grounds. Establish import prohibitions for the former, including Chinese-manufactured power transmission and storage equipment.

15. Approach African and Latin American countries with diplomatic and trade engagement to get access to critical minerals.

17. Prevent China from developing deep water Atlantic ports in West Africa.

18. Protect Antarctica and its critical minerals from China by attempting to shore up relations with New Zealand and South Africa.

Many thanks for allowing me to testify today. I would be glad to answer any questions.

Residential Electricity Prices and Gasoline Prices by State

Control of Legislature: All Democrat All Republican Split Control

Rank	State	Residential Electricity Cost (cents/kwh)	Democrat Governor	Democrat Legislature	Part of RTO/ISO*	RPS** by 2035	Gas Price
1	Hawaii	42.45	✔	✔	✔	40%	$4.64
2	California	32.99	✔	✔	✔	60%	$4.75
3	Massachusetts	28.15	✔	✔	✔	35%	$3.25
4	Rhode Island	27.03	✔	✔	✔	100%	$3.13
5	Connecticut	26.00	✔	✔	✔	48%	$3.26
6	Alaska	25.40			✔	0%	$3.74
7	New York	24.51	✔	✔	✔	70%	$3.40
8	New Hampshire	22.44			✔	25%	$3.20
9	Maine	22.26	✔	✔	✔	80%	$3.29
10	Vermont	21.91		✔	✔	75%	$3.31
11	Michigan	19.88	✔	✔	✔	35%	$3.30
12	New Jersey	19.88	✔	✔	✔	50%	$3.14
13	Pennsylvania	17.68	✔		✔	18%	$3.40
14	Wisconsin	17.60	✔		✔	0%	$3.04
15	Maryland	17.41	✔	✔	✔	50%	$3.14
16	D.C.	17.11	✔	✔	✔	100%	$3.51
	U.S. average	**16.41**					
17	Minnesota	16.38	✔		✔	55%	$3.08
18	Delaware	16.29	✔	✔	✔	40%	$3.05
19	Illinois	16.15	✔	✔	✔	25%	$3.51
20	Ohio	15.92			✔	9%	$3.02
21	Georgia	15.53				0%	$3.03
22	Nevada	15.50		✔		50%	$4.00
23	West Virginia	15.48			✔	0%	$3.14
24	Virginia	15.31		✔	✔	30%	$3.10
25	Colorado	15.21	✔	✔		30%	$3.46
26	Arizona	15.14	✔			15%	$3.43
27	Oregon	15.12	✔	✔		90%	$3.76
28	Alabama	15.03				0%	$2.83
29	Indiana	14.89			✔	0%	$3.19
30	Iowa	14.82			✔	0%	$3.06
31	Missouri	14.64			✔	15%	$2.94
32	Texas	14.47			✔	0%	$2.82
33	New Mexico	14.44	✔	✔		40%	$3.16
34	Kansas	14.22	✔		✔	0%	$2.97
35	South Carolina	14.18				0%	$2.83
36	South Dakota	14.15				0%	$3.15
37	Florida	13.89				0%	$3.18
38	North Carolina	13.72	✔			0%	$2.98
39	North Dakota	13.65			✔	0%	$3.18
40	Montana	13.58				0%	$3.39
41	Mississippi	13.42			✔	0%	$2.77
42	Nebraska	12.92			✔	0%	$3.12
43	Wyoming	12.90				0%	$3.33
44	Kentucky	12.87	✔		✔	0%	$2.89
45	Tennessee	12.57				0%	$2.80
46	Oklahoma	12.37			✔	0%	$2.83
47	Arkansas	12.36			✔	0%	$2.89
48	Washington	12.34	✔	✔		100%	$4.16
49	Idaho	12.28				0%	$3.59
50	Utah	11.50				20%	$3.64
51	Louisiana	11.42			✔	0%	$2.86

* Regional Transmission Organizations/Independent System Operators. ** Renewable portfolio standard.

NOTES: Electricity prices are for June 2024. Gasoline prices are average prices for one gallon of regular unleaded. Nebraska's legislature is unicameral.

SOURCES: U.S. Energy Information Administration, Federal Energy Regulatory Commission, National Conference of State Legisatures, and AAA Gas Prices.

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