



**U.S. House Committee on the Budget
Hearing on “The Cost of the Biden Energy Crisis.”**

September 19, 2024

Chairman Arrington, Ranking Member Boyle, and members of this Committee, thank you for the opportunity to testify today on this important topic. My name is Donna Jackson and I am the Director of Membership Development at Project 21 – the black leadership network for the National Center for Public Policy Research. Project 21 is one of the oldest and largest black conservative thinktanks in the country. Our hundreds of active members come from all walks of life, from small business owners to law enforcement to factory workers to energy producers to clergy to health care workers to teachers and more. Most of us are not career activists or lobbyists, and many live and work in the communities we hope to improve. We cover a wide range of issues, but our fundamental focus is lifting people out of poverty and dependence and into prosperity and self-sufficiency.

Green New Deal-style policies like those in the Inflation Reduction Act cost Americans twice. First, we pay billions and quite possibly trillions in tax dollars to subsidize these alternative energy sources and technologies. And since green energy usually costs more, we end up with higher utility bills as well as rising prices for everything from housing to cars to food. At the same time, this agenda prevents us from getting the full benefit from the abundance of more reliable fossil fuels like affordable coal, oil and natural gas that this nation is blessed with. Overall, these green policies are a bad deal for the American

people, and it is low-income households that suffer most when energy affordability is no longer the priority.

Of course, we hear a lot of hype about the disproportionate impacts of environmental threats and especially climate change – and with the multi-billion dollar handouts to environmental justice activists in the Inflation Reduction Act we will hear a lot more – but the reality for millions of struggling households is that it is the disproportionate impact of environmental *policies* that is the real problem.

I'll start with the issue of housing affordability, both because this is a major issue right now and because it is something of particular importance to the black community which still has some catching up to do regarding home ownership – 44.1 percent compared to 73.3 percent for white Americans. I would like to emphasize that home ownership is absolutely critical to breaking the cycle of poverty and creating intergenerational wealth for low-income and minority families – a recent study from the National Association of Realtors finds that homeowners have 40 times more net worth than renters. Yet costly environmental policies are practically tailor made to place the goal of homeownership further out of reach. And these price boosting policies could not be coming at a worse time given that home prices are already very high as are mortgage rates.

Most recently, the Department of Housing and Urban Development (HUD) adopted new green building code requirements for homes qualifying for government backed mortgages. According to the National Association of Home Builders, these new requirements could add up to \$31,000 per home. And remember, the main purpose of HUD is supposed to be helping first-time and low-income home buyers,

www.NationalCenter.org

2005 Massachusetts Avenue NW • Washington, DC 20036

but instead the agency is moving in the opposite direction as part of the current administration's "whole of government" prioritization of climate policies.

At the same time, the Department of Energy and the Environmental Protection Agency are imposing new regulations raising the cost of nearly every appliance that goes into a home. We heard a lot about government efforts to go after gas stoves, but there are also regulations targeting the most expensive home appliances, including furnaces, air conditioners and water heaters. Worst of all are the costs of a new central air conditioner which have risen by thousands of dollars in recent years. All of this makes homeownership that much more prohibitively expensive for struggling households.

Just as important as home ownership is vehicle ownership, and on this point the electric vehicle (EV) agenda is absolutely no friend of the working class. Affordable cars – and let's be honest, that means gasoline powered cars – are critical for climbing up the economic ladder. Being able to drive to work opens up many more opportunities than being limited to only jobs accessible by public transportation. And studies show that this is especially true for those who live in lower-income neighborhoods that are often far from the parts of town where the best employment opportunities exist. Having a vehicle also opens up part-time opportunities in the gig economy, and having multiple jobs is increasingly becoming necessary in the current economy.

And even beyond jobs and economic advancement, cars are also indispensable to raising a family. As a single mom who raised five kids, don't even try to tell me that I could have done that by relying on public transportation.

EVs simply can't take the place of gasoline powered cars, and the higher sticker price is only part of it. Most low-income households own no more than one vehicle, and for most an EV just does not work as that only vehicle – indeed 90 percent of EVs are part of wealthier multi-vehicle households. In addition, charging an EV is especially inconvenient for renters in urban environments who usually don't have the option of home charging. And there are also questions whether you can own an asset as valuable as an EV and still qualify for government assistance programs.

Indeed, it is no mystery why most low-income and minority households don't want EVs. The mystery is why the government keeps trying to force them on us. And perhaps the worst part of the EV agenda is that a good part of it is being paid for in the form of price increases on gasoline powered cars.

I should add that simply dangling free money in front of low-income households does not make up for the damage done. Whether it is proposals to give \$25,000 to new home buyers or the generous tax credits to buy EVs, or government rebates for politically-correct appliances, no handout can substitute for getting rid of these policies.

I would like to conclude by discussing the ongoing problem of energy poverty. There are various definitions of energy poverty and energy insecurity, but it all boils down to households having to cut back on necessities in order to pay for their energy needs. Studies from the Energy Information Administration and the Department of Energy show that 25 percent of households report instances of having to reduce purchases of things like food or medicine, and those numbers are significantly higher for low-income and minority households. And it is mind-boggling that this is happening in the country that has the world's largest reserves of the most affordable and reliable types of energy.

The solution to energy poverty, and the key to restoring the American dream for households struggling to achieve it, is not subsidies and mandates for solar panels and EVs and wind turbines – it is the abundant, reliable and affordable supplies of coal, oil and natural gas right beneath our feet – and the nearly two million well-paying jobs the industry provides. And, unlike green energy, which can only succeed when the government spends taxpayer dollars tilting the playing field in its favor, the only thing the federal government needs do to ensure real energy abundance and affordability is to stay out of the way.

Thank you.