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Statement of Rep. Henry A. Waxman Chairman, Committee on Energy and Commerce

“Renewable Energy: Complementary Policies for Climate Legislation” Subcommittee on Energy and Environment February 26, 2009

Thank you, Mr. Chairman, for calling today’s important hearing.

Renewable energy is going to be one of the key pillars of a clean energy economy. We will not be able to avoid catastrophic climate change without a dramatic increase in the amount of energy generated from renewable sources.

Today, only two and a half percent of our electricity comes from all non-hydro renewables. But fortunately, the U.S. has tremendous renewable energy resources that we have only just begun to tap.

In addition to the so-called “wind belt” that extends from the Dakotas down to Texas, there is substantial biomass potential in the Southeast as well as significant solar resources in the Southwest and throughout the United States.

The Department of Energy recently issued a report showing that we could get 20% of our needed electricity from wind alone by 2030.

Every region of the country has renewable resources that could be tapped to achieve our national goal of expanding renewable energy generation and reducing global warming pollution.

More renewable energy also means more good jobs right here in the U.S. Over the last few years, the wind industry has been an engine of job growth. Last year, wind companies created 35,000 new jobs.

Some climate solutions require big technological breakthroughs. But renewable energy is something that we can deploy today. We can ramp up wind, solar, biomass, and geothermal electricity production now.

As the deployment of clean energy increases, the cost for this technology will continue to decline.

A big driver for renewable energy development has been the willingness of states to forge ahead despite the absence of federal leadership under the Bush Administration. Twenty-eight states and the District of Columbia now have mandatory Renewable Electricity Standards, which require utilities to generate an increasing percentage of their electricity from renewable sources.

These policies are working. More renewable energy is being generated with little or no effect on the electricity prices of American consumers.

As the Committee develops climate legislation, we should explore the option of a federal Renewable Electricity Standard as a complementary policy.

One potential effect of a cap-and-trade system is the so-called “dash to gas.” Because burning natural gas for electricity produces less global warming pollution than burning coal, utilities may switch from coal to natural gas to reduce their emissions.

That could drive up natural gas prices – increasing costs for consumers and companies that use natural gas as a feedstock for their products. When paired with a cap-and-trade system, a Renewable Electricity Standard could help stabilize natural gas prices and prevent a dash to gas.

By providing long-term incentives for renewables, a federal Renewable Electricity Standard would also give a big boost to those clean technologies while reducing the chances that utilities would have stranded investments in dirtier technologies.

I don't believe that a federal Renewable Electricity Standard and a federal cap-and-trade system are duplicative or mutually exclusive. On the contrary, they may complement each other in important ways.

I look forward to exploring those synergies with our witnesses today.