STATEMENT BY

THE HONORABLE PAUL M. DABBAR

FORMER UNDER SECRETARY

U.S. DEPARTMENT OF ENERGY

CEO, BOHR QUANTUM TECHNOLOGY

DISTINGUISHED VISITING FELLOW, COLUMBIA UNIVERSITY

CONTRIBUTOR, WALL STREET JOURNAL

BEFORE THE HOUSE ENERGY AND COMMERCE COMMITTEE

ON AMERICAN ENERGY EXPANSION: STREGTHENING ECONOMIC, ENVIRONMENTAL, AND NATIONAL SECURITY

JANUARY 31, 2023

Chair McMorris Rodgers, Ranking Member Pallone, and Members of the Committee, I am honored to again be before this Committee. I was with the chair last in Washington state a couple of years ago where we were making strong environmental progress near your district.

Not so long ago, under the leadership of Secretaries Perry and Brouillette, the U.S. became the undisputed dominate country in energy. When I was Under Secretary in 2017, US crude exports jumped from zero to 1mm bbl/d. We were amazed by the leap. By 2019, exports jumped to 3mm bbl/d. And that year, for the first time since the 1950's, we went from the largest energy importer, to a net energy exporter. The Jimmy Carter founding mission for DOE had finally been achieved, and the U.S. became the undisputed dominate country in energy.

We became the #1 producer of oil as crude production increased from a low of 4.8 to 12.9 mm bbl/d, a monumental increase. We also became the #1 global producer of natural gas. We became the marginal producer and global price setter of crude

oil, taking the crown from OPEC. We extended our lead as the top country in discovery of new energy technologies, including solar, lithium-ion chemistry, and new drilling technologies. We were a solid manufacturer including for turbines, nuclear, EV's and drilling. We allowed the country to build, whether it was wind, batteries, LNG, or pipelines. This resulted in energy price deflation. And the U.S. led the world in the reduction of tons of emissions.

No other country came close to that combination: production, technology and manufacturing, not China, Russia or Saudi Arabia. This dramatic turn in energy posture not only created significant economic growth and security, it produced a new foreign-policy playing field and we were no longer at the bidding of a cartel.

This allowed us to take the lead on stabilizing global energy markets when Covid hit. We were so strong, that the 2020 OPEC production agreement was announced from the White House. That was energy dominance.

We did this by concurrently focusing on all the "All the above energy policies": increasing all the above energy supply, strengthening energy national security and diplomatic posture, producing energy price deflation, and reducing emissions.

This shift happened for three reasons: U.S. energy-technology innovation, government policies that encouraged all-the-above energy supply, and investment by private markets.

The trigger was a vast amount of innovation of new technologies, and much of what is now being deployed did not exist in commercial form twenty years ago. Then this committee, bi-partisan, and after many years of negotiation, passed several Acts that made a big difference. Those E&C compromises can be summarized: If you give me my pro-supply policies, I'll give you your pro supply policies.

But this balanced approach has taken a detour. And we are now back to asking Riyad, Caracas and Tehran for their help.

Here are steps this committee can take to re-establish energy dominance:

- Require agencies such as Interior, EPA and FERC to permit, license, and approve all the above energy types.
- FERC needs significant legislative reform to make them do their statutory obligation to ensure there is enough energy supply of all types. They need to be required approve transmission projects for all types of energy. And they need to radically overhaul ISO rules to encourage baseload power, that is being shut down faster than new intermittent plants are being built.
- Capital providers need to be pushed so that investing criteria is not all about ESG, that it includes caring about prices, reliability, and national security & supply chain risks. Vs supporting energy production moving overseas to autocratic regimes including one using slave labor camps. That doesn't seem very ESG to me.
- And continue to support discovery science and innovation, a leading strength of America.

Our moment of energy dominance was the culmination of many factors: innovation, an all-the-above pro-supply set of policies, markets willing to invest and strong energy diplomacy. As we confront the challenges in energy markets today, we'd do well to re-implement the ingredients that made us so successful not so long ago.