



FOR IMMEDIATE RELEASE

September 17, 2014

Contact: Keith Chu (202) 224-4515

Wyden Hearing Statement on the Future of American Energy Policy
As Prepared for Delivery

Around the world, countries driven by tough global competition, dramatic demographic shifts, climate change, and an investment boom in clean tech are ripping up the 20th century energy playbook and laying out new paths forward. The United States – with a penchant for innovation and entrepreneurship – can lead the way.

In order to lead, our challenge is to guarantee that outdated energy policies aren't pulling America back into the pack. And on our watch, leading the pack on energy – and striving for American energy exceptionalism – means leading the pack on tax reform. Here are a few examples of what leadership will look like.

For the first time, the tax code must take the costs and benefits of energy sources into account. This committee is going to have a robust conversation about how best to determine costs and benefits. I believe the list of factors must include considerations that don't always figure in today, such as energy efficiency, affordability, pollution, and sustainability.

Second, it's past time to replace today's crazy quilt of more than 40 energy tax incentives with a modern, technology-neutral approach. Let's clear the hurdles that slow down America's energy innovators and let's introduce a new level of competition and fairness into the marketplace.

Third, the disparity in how the tax code treats energy sources – and the uncertainty it causes – has to end. Traditional sources benefit from tax incentives that are permanently baked into law. But clean energy sources are stuck with stop-and-go incentives that have to be renewed every few years.

Congress has developed a familiar pattern of passing temporary extensions of those incentives, shaking hands, and heading home. But short-term extensions cannot put renewables on the same footing as the other energy sources in America's competitive marketplace.

Clean energy projects take time to plan and finance. The facilities and machinery take years to get up and running – especially in sources like hydropower, geothermal, and biomass. Predictable, level-playing-field tax policies could clear the way for America's clean energy sector to thrive at home and outmatch global competitors hungrily eyeing the multi-trillion dollar market for energy goods and services.

It's important to recognize that better tax policy alone will not solve America's energy needs. Energy tax reform must be part of an overall strategy that moves the country toward a clean energy future. That cohesive, overall strategy for American energy is what's lacking today.

That has to change. I see energy tax reform as a way for the Finance Committee to work on a bipartisan basis to drive America's energy policy toward a modern level-playing field approach. Today's hearing is an opportunity for the committee to begin to map out the road ahead.

###