

Select Committee on Energy Independence and Global Warming

*“Reinvigorating the Economy through Stimulus Legislation:
Opportunities for All”*

January 15, 2009

2:00 pm

2172 Rayburn House Office Building

Witness Questions for the record

Questions for all witnesses

1. What is the single most productive action that Congress can do to stimulate the economy?
2. Do you support including additional spending for the nuclear industry as part of a carbon-free portfolio included in second stimulus plan?
3. Many studies show that imposing limits on carbon emissions will slow U.S. economic and job growth. How can imposing a cap and tax system to reduce GHG emissions which would tend to cause households and businesses to substitute more expensive renewable energy for lower cost fossil fuels have a positive impact on the economy?

Questions for Mr. Jones

- 1) Why is the need for a “green job” significantly more important than a need for a job?
- 2) You reference the “Green Recovery report” published by the Center for American Progress. Did the report’s model include the lost revenue and consumer spending that would result from higher energy prices? When households spend more money on renewable energy, how is other consumer spending influenced?
- 3) In your testimony you note, “the same amount of money invested in energy efficiency and renewable energy actually creates four times as many jobs as the same money invested in the oil industry.” Did you look at other sectors in which to spend the money? Would the money be better directed towards shoring up the housing industry?
- 4) Where do you propose the tax dollars to fund green job training program come from? Would you raise taxes or cut spending on a different program?
- 5) How large do you envision a “Clean Energy Corps?” Would this organization receive federal funding? What would the average annual salary be of these government employees?

Questions for Ms. Bode

- 1.) What is the equalized cost per kilowatt hour on average of wind generation?
How does this compare to cost for traditional fossil fuel (coal) generation? (If the cost is higher) Has the wind industry examined the macro-economic employment impact of higher energy prices on businesses, specifically in manufacturing? Do higher energy prices for firms have a net macro benefit or cost to the economy?
- 2.) What is the total dollar amount of investment needed to double wind generation in three years?
- 3.) What other policy challenges, such as transmission, siting, and permitting, does Congress need to address to facilitate further growth in wind generation?
- 4.) Over the course of the last two years, the Committee has had repeated witnesses raising the same policy concerns as you are here today. Is there a specific aspect of the current financial situation that elevates the requests of the renewable energy industry over other sectors that may face more immediate concerns?
- 5.) In your testimony you reference two milestones of the wind industry: to double renewable energy over the next three years and to produce 20% of the nation's energy by 2030. Which of these goals is more realistic to achieve?
- 6.) What is the utilization factor for the newly installed wind capacity? How many megawatts are actually being produced by the wind turbines?

Questions for Mayor Palmer:

- 1.) Do you agree that the first priority of an economy is jobs, regardless of whether they are blue-collar, white-collar, or “green”-collar?
- 2.) What has been the result of the Energy Efficiency and Conservation Block Grant program since it was signed into law? Has it had the intended effect thus far?
- 3.) You note the negative impacts the housing market is having on the economy. Wouldn't a better use of stimulus money be to stabilize the housing market and return equity to families?
- 4.) How much has the city already spent on the “Green Trenton” initiative? How much is the initiative going to cost in the long-run?
- 5.) How much renewable energy does Trenton currently consume? Has this risen since you took office? Has there been a difference in your electricity rates?
- 6.) Does the current economic outlook and budgetary restraints hinder your ability to meet your obligations under the Mayor's Climate Protection Agreement?
- 7.) Has Trenton passed any tax relief for local firms? Have you studied the comparative benefit of tax relief to direct federal spending?
- 8.) On page 6 of your testimony, you note that 427 cities have 942 projects ready for EECBG funding of \$6.2 billion to create 38,732 jobs. This would cost over \$160,000 per job. If the city of Trenton were to get this sort of employment return for direct spending, would you undertake these projects?

Questions for Dr. Kreutzer

1. How would a cap and trade scheme impact the U.S. economy? What would such a program do to employment levels and national income? Can you briefly explain the Heritage Foundation's study of the Lieberman-Warner bill?
2. How would you describe a green job? Would you consider your job a "green job?" Does your work on energy economics change the net employment rate?
3. Do your job projections account for "green job" growth?
4. How is the European Union's Cap and Trade Scheme working to reduce greenhouse gases? Are they on track to meet their target set by the Kyoto Protocol?
5. If households and businesses want to substitute renewable energy for conventional fuels, can't they make that choice without additional government subsidies? How would increased energy costs affect household consumer spending?
6. What would the impact of a cap and trade system like the Lieberman Warner bill impact per capita GHG emissions in the U.S?
7. If the U.S. were to reduce GHG emissions to 60 to 80 percent below current levels by 2050 but major developing countries do not slow their strong emission growth, what would the impact on GHG concentrations in the atmosphere be?
8. What is your analysis of the net economic effect if a cap-and-trade is created to raise revenue for directed renewable spending? Would the net result negatively impact the American economy?

Questions for Mr. Houser

- 1.) What rate for electricity did you use to reach your conclusion on the amount of annual savings for building efficiency? How would changing rates alter your models? Did your models incorporate the possibility of a cap and tax scheme and the resulting increased cost of energy?
- 2.) If these investments would result with a net savings, why does Congress need to spend tax dollars on such projects?
- 3.) How much R&D funding does the Department of Energy currently conduct? Why should additional money be incorporated in a stimulus bill, rather than through the regular appropriations process? Does your study consider energy research funded from other departments, such as the Department of Defense which is conducting extensive hybrid and battery research?
- 4.) A smart grid will be a necessary development to replace our existing aging and stressed transmission grid. What aspect of developing a smart grid necessitates emergency spending from the stimulus?
- 5.) In previous committee hearings, some witnesses have explicitly stated that road infrastructure development is not “green” policy. Why do you include transportation projects in with other “green” policies? Wouldn’t infrastructure projects help to reduce congestion and thus, reduce emissions?

Questions for Mayor Nutter

1. Do you agree that the first priority of an economy is jobs, regardless of whether they are blue-collar, white-collar, or “green”-collar?
2. You note on the first page of your testimony that energy efficiency gains over the last 25 years saved half as much energy consumption. Most of these efficiency gains were made without legislative fiat, but rather through technology development and usage of programs such as EnergyStar. Is there reason to suspect that this trend will discontinue?
3. Was there a federal legislative fiat to deploy LED traffic lights or was that a city initiative? Considering the energy savings for deploying LED lights, shouldn't all cities undertake such projects without federal tax stimulus dollars? Would replacement of the yellow and green traffic lights be the best usage of stimulus funding?
4. You say, “even when it doesn't make money, the green option avoids costs.” If that is the case, does Congress really need to mandate such policy?
5. Has your city issued any bonds to make these energy investments? If the return on investment is financially viable, why not make the financing a local issue rather than asking for federal funds? Has the city had any voter referendums on such projects?
6. When you reference Dr. Pollin's testimony, you operate under the assumption that energy prices will remain the same. Has the City of Philadelphia experienced any increases in the price of electricity? What is the current mix of generation for the city? If a cap and trade scheme were legislated, how would such a program affect your energy prices?
7. What is the total cost of your Green Infrastructure Program?
8. If there is a limited amount of funds available to municipalities, what benchmarks or guidelines should Congress use to determine which cities receive funding and at what funding levels?