

Mr. Sensenbrenner's Opening Statement for Select Committee on Energy Independence and Global Warming hearing: "Negawatts: The Role of Efficiency Policies in Climate Legislation."

May 8, 2008

Improving energy efficiency is one of the most important steps that can be taken to confront climate change and I'm pleased the Chairman has scheduled this hearing.

As we all know, reducing carbon dioxide emissions while protecting the health of the economy is a formidable challenge. Some may think this goal is not achievable, but I believe through significant advances in technology, we can make significant reductions in greenhouse gases while still growing the economy.

Some of this technology is not yet available. A good example of this is carbon capture and sequestration, which is still on the drawing board, but has the potential to make tremendous reductions in greenhouse gas emissions in the future. And some

advances are needed in renewable technologies to make them more cost competitive.

Another potent technology is nuclear power, which is ready now, and can generate power without greenhouse gas emissions. Both of these technologies have the potential to reduce emissions in the long term.

However, it is energy efficiency that gives us the best chance to produce emission reductions in the short term. Studies show that even simple improvements in energy efficiency stand to create significant reductions in greenhouse gas emissions.

Not only that, but increased energy efficiency also stands to create significant reductions in the power bill. Whether you are a big industry, a small business, a home owner or even a renter, improvements in energy efficiency will help improve the bottom line.

The cost of power is rising and because of this, there is clearly free market pressure to adopt energy efficiency. In fact, the rising cost of power is without doubt the best possible argument for improving energy efficiency.

I also believe that in some cases, the government can encourage efficiency through support of research and development and through certain tax credits. Industry standard setting is also useful.

But what I do not support is the government artificially imposing improved efficiency through mandates, regulations and rules. If the government tries to mandate or regulate efficiency, to most, it will become a tax, and that will hold down economic growth. In fact, one study that forecasts enormous reductions in emissions also came with an enormous price tag that raises questions as to whether the reductions are even worth it.

While I'm glad the Select Committee is talking about energy efficiency, it seems that most of the testimony we expect to hear today will be nothing more than a call for more regulation.

We all may agree that improved energy efficiency holds tremendous promise, there appears to be great differences in our beliefs in how to get there. I think the pressure of energy prices will lead people to adopt energy efficiency on their own accord, which would result in cheaper energy prices. And cheaper energy is something everyone can support.

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