



Statement of Jim Lyons
Senior Director for Renewable Energy
Defenders of Wildlife

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Mr. Chairman and Members of the Committee:

Thank you for the invitation to testify before you today. My name is Jim Lyons and I am the Senior Director for Renewable Energy at Defenders of Wildlife. Founded in 1947, Defenders of Wildlife is a nonprofit organization with more than 1 million members and supporters across the nation and is dedicated to the protection and restoration of wild animals and plants in their natural communities.

On behalf of Defenders of Wildlife, I am here today to express my strong support for renewable energy development. Defenders believes that this nation must accelerate efforts to promote the development of renewable energy in order to generate the multiple benefits that would result, including jobs, economic growth, and a reduction in greenhouse gas emissions. We believe that a clean energy future is an essential part of producing a healthy American economy and a healthy planet and we are working with renewable energy developers, investors, utilities, conservation leaders, and the Obama administration to help realize that future.

We believe a clean energy economy is possible. To make it a reality we must promote thoughtful planning, effective use of technology, and a long-term commitment of resources to finance the development and growth of the renewable energy sector. These elements are critical to provide the certainty that the renewable energy industry, utilities, conservationists, investors, and the public demand.

Part of our challenge is to find ways to tap into this vast resource for renewable energy production while avoiding, minimizing, and mitigating the impacts on wildlife, wild lands, and other important natural resources associated with public and private lands. We need not sacrifice the conservation gains of the 20th century – leading to the conservation of millions of acres of public lands and the protection of wildlife, wilderness, and water resources – for the sake of our efforts to solve the conservation challenges of the 21st century.

Today the Subcommittee is examining four bills with the intention of removing impediments to developing renewable energy on federal lands. We applaud this Committee's efforts to examine the challenges of developing renewable energy industry. We can and will work with all parties to improve the administrative processes affecting project siting, permitting, and development. I firmly believe we can achieve these outcomes without additional legislative assistance. In fact, some of the proposed shortcuts and "work arounds" intended to short circuit NEPA may do more harm than good, precisely because they will introduce added uncertainty to the process. We appreciate the offer for help with these issues, but I am not convinced that legislative remedies are needed or would help, nor do they address the real roadblocks to clean energy development.

The successful development of clean energy in the United States is dependent upon three things. We need energy resources, technology, and capital. I would submit that the most significant

roadblock to our efforts to develop clean energy resources in the United States is capital. The long term commitment of capital and with it the assurance that the financial resources will be there to cover the high front end costs associated with the development of solar, wind, or geothermal energy is the Achilles heel of this energy sector.

To illustrate this point, I want to reference the comments to two of the witnesses at the June 1 hearing of the House Natural Resources Committee on this subject.

At that hearing, Roby Roberts noted on behalf of the American Wind Energy Association (AWEA):

“Without more stable federal financial incentives and demand-side policies, any changes to make developing wind energy projects on public lands more attractive will be of only marginal benefit.”

And, Dan Reicher, Director of Stanford University’s Steyer-Taylor Center for Energy Policy and Finance and a faculty member of the Stanford Law School and the Graduate School of Business, stated,

“What I worry more about more than *siting* renewable energy projects on public lands is successfully *navigating* the long and complicated road that takes a renewable energy technology from the first gleam in a scientist’s eye and an early pilot project *all the way* to the routine construction and operation of hundreds of full-scale commercial plants with low-cost financing and good paying jobs on all kinds of land – private and public.”

In this regard, Mr. Reicher and other witnesses at that hearing cited the importance of the DOE loan guarantee program and the Section 1603 Treasury Grant program as essential sources of capital for renewable energy projects as a means to spur private sector investment in these new technologies. Both of these programs are set to expire at the end of this year. Lacking assurances that federal grants and loan guarantees will continue to be available to provide the long-term capital for utility scale renewable energy, the future of our Nations’ renewable resources will remain uncertain.

Oil and gas continue to benefit from generous tax breaks and federal subsidies (many of which are permanent); however, renewable energy continues to struggle to gain something close to a level playing field. Of course, this is one reason that the Obama administration has proposed to end subsidies for oil and gas production (aside from the enormous profits these companies have been reporting). Redistributing this capital to improve the prospects for growth in the renewable energy sector and to improve the prospects of attracting private capital is critical to providing certainty for developers, investors, and a host of other stakeholders, including the conservation community.

Similarly, without the market mechanisms in place to provide for increased demand for renewable sources of energy, it is reasonable to ask if private capital will flow to solar, wind, and geothermal

energy production. While 38 states have established renewable or alternative energy standards, a national renewable energy standard is still lacking. And, with the recent development of technologies to tap abundant natural gas resources from sources such as the Marcellus shale, which is particularly abundant in the northeastern United States, can renewable sources of energy, such as wind, compete?

As you have heard, without the certainty of long-term capital for investment, companies interested in entering this market – or simply investing in the US market – are forced to scramble to prove the viability of their technologies and their investments. In addition, companies have been forced to scramble to secure access to lands with the potential for solar development, in particular, in the hope that the public capital will be there to help them attract the private capital to bring utility-scale projects on line. This scramble is the bane of good planning and of thoughtful and smart project siting.

We all recognize that careful planning is essential to making good business decisions. Just as investors look to a good business plan before committing capital to a project, making good decisions about project siting and development are essential to reducing impacts on wildlife. This past February, 17 conservation organizations wrote to President Obama to express their support for accelerating the development of renewable energy on public lands. (I have attached a copy of that letter to my testimony.) We argued that this can best be achieved by employing “smart from the start” principles.

Simply stated, “smart from the start” is good planning. Knowing where critical habitats and sensitive landscapes are located, determining where critical migratory corridors exist, and where water resources are scarce are key to siting projects in low-conflict areas. The benefit to conservation advocates is obvious, but the benefit to developers is substantial as well.

Developing in high conflict areas can substantially increase project costs for biological surveys and inventories for rare plants and animals. Operating in areas that are home to threatened and endangered species requires federal agencies to consult with the US Fish and Wildlife Service. And, impacting wildlife resources can require mitigation that may involve restoring habitats or acquiring similar lands to compensate for habitats negatively affected by the project. Of course, controversial projects in high-conflict areas face tough scrutiny. If approved despite high environmental costs, they may face potential litigation which can further increase project costs and cause development delays.

A better approach to project development is to begin by determining where highly-valued wildlife habitats, sensitive landscapes and natural resources exist and avoid them. This is actually easier than one might think, as the technology has improved our ability to identify and map key wildlife areas.

For example, through support from the Department of Energy, the Western Governors’ Association has worked with state fish and wildlife agencies to develop decision support systems to

improve efforts to locate energy projects in low risk areas. And, the American Wind Wildlife Association has recently launched an online tool to help wind developers determine where wildlife conflicts may occur and how to avoid them.

While guiding development to low-conflict zones is one means of reducing wildlife conflicts, it will not completely address wildlife impacts. For this reason, all interests acknowledge the need to develop mechanisms for mitigating project impacts on wildlife, which, in the state of California, is required by law. Mitigation strategies can seek to avoid or minimize project impacts, but they can also be designed to compensate for impacts by permitting the restoration of habitats similar to those that are lost or by acquiring similar habitat proximate to the project.

At Defenders, we are exploring the prospect of mitigation banking. That is, working at the landscape level to identify areas that might be protected or restored in order to mitigate energy projects before they are designed and built. The benefit of this approach is that it helps achieve conservation goals such as minimizing impacts on wildlife populations, reducing the need to list species as threatened or endangered, and helping to restore habitat for threatened and endangered species. It also helps developers understand the mitigation costs they may face in developing a project in a particular landscape. In fact, BLM Special Status Species policy directs the agency to not only minimize threats to sensitive species, but also “improve the condition of the species habitat” and “initiate proactive conservation measures” to minimize the likelihood of ESA listing.” (BLM Manual 6840.2; 6840.02).

Many innovative strategies are in the works to help further reduce the potential impacts of solar, wind, and geothermal development on wildlife, wild lands, and important natural resources. And, to its credit, the renewable energy industry is increasingly playing a role in helping to identify both the problems and potential solutions. We encourage the use and expansion of efforts like the regional habitat conservation planning process in the central flyway for Whooping Cranes and Lesser Prairie Chickens. And we support efforts such as that of Kansas Governor Sam Brownback, who recently announced his Road Map for Wind Energy Policy. The plan includes a plan to protect a tallgrass prairie area from commercial wind development. The governor noted,

“We will continue to encourage the expansion of an unparalleled economic development opportunity that will allow our state to regain its energy exporter status while also protecting an ecological jewel of our state and the nation.”

Similar efforts are underway in Wyoming and Oregon to protect remaining sage grouse habitat while facilitating further wind energy development.

We are also encouraged by the progress that is being made by the Department of the Interior, working with the wind energy industry and through its federal advisory committee on onshore wind energy guidelines, to address the need to provide greater certainty for developers with regard to

requirements for reducing the impacts of wind energy on wildlife and protecting bald and golden eagles. In response to draft guidance issued by the US Fish and Wildlife Service, we joined with the American Wind Energy Association (AWEA), National Audubon Society, the Union of Concerned Scientists and others in suggesting that a properly designed and implemented voluntary, risk-based approach for minimizing and mitigating the effects of wind energy on wildlife can work. (I would like to also submit a copy of our joint comments for the record.) We support this strategy because we believe a risk-based approach is consistent with the notion of guiding renewable energy projects to low-conflict areas and is consistent with good business practices. And, we believe that developers who engage in good planning will seek to operate in low risk areas where the successful development of their project is more likely and their ability to successfully attract investors and capital is also greater.

This same concept, guiding renewable energy project development to low-risk areas, is at the heart of identifying zones for development for utility scale solar projects and is one of the alternatives presented in DOI and DOE's draft solar Programmatic Environmental Impact Statement. We support this concept as well, because we believe it will accelerate project development, shorten planning horizons, and help simplify the requirements for coordination and consultations with state and federal agencies entrusted with the protection of our wildlife and other public land assets. And we continue to work with the U.S. Fish and Wildlife Service, with Department of the Interior officials, and with our colleagues in the conservation community to find ways to improve and accelerate the project siting, permitting, and development process.

I want to end my statement this morning, by returning to where I began. Certainty is the key to improving and accelerating the development of renewable energy resources in the United States. Project developers seek certainty in order to attract capital, to build their projects, and sell their product – clean energy. Utilities seek the certainty that the clean energy they buy will be produced and available to help them meet renewable energy standards and an increasing public demand. Investors seek certainty so that they have some assurance of a return on investment which, of course, is the primary reason they choose to invest in projects. And conservationists seek certainty that clean energy can be produced to address the impacts of climate change, produce the jobs and economic benefits attributed to the new clean energy economy, and do so without harming the wildlife, wild lands, and other natural resources Americans treasure.

As I mentioned previously, we need your help in providing greater certainty that the financing will be there, over an extended period of time, to support the R&D and development essential to proving the viability of utility-scale solar energy and to getting solar, wind and geothermal projects built. Having to beg for clean energy financing one year at a time is not conducive to good planning and will not provide the assurances to private investors, markets, and utilities that clean energy will be there when they need it or that it is, in fact, worth the investment.

We look forward to working with you, Mr. Chairman, to find solutions to these challenges and to identify remedies to the roadblocks that are impacting the development of clean energy in America. Working within our existing environmental laws will, in fact, result in better renewable energy development and greater certainty, assuring the viability of the renewable energy industry for the long term. This is our future and we are committed to helping realize the vision of a clean energy economy with all the benefits it can provide.

Thank you, again, for the opportunity to testify before you today.