

Testimony of Heather Reams
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House Natural Resources Committee
Legislative Hearing on H.R. __, H.J. Res.168 and H.R. 6129
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1324 Longworth House Office Building

Chairman Westerman, Ranking Member Grijalva and distinguished members of the House Natural Resources Committee, thank you for the opportunity for Citizens for Responsible Energy Solutions (CRES) to testify today on pending legislation. We are grateful for this committee’s demonstrated leadership in pursuing permitting reforms and appreciate the opportunity to testify on three bills that seek to address facets of our broken permitting system.

I am Heather Reams, president of CRES, and we are a non-profit advocacy organization, founded over a decade ago, supporting responsible, conservative solutions to address our nation’s energy, economic and environmental security while increasing America’s competitive edge. CRES supports energy innovation that reduces emissions, rather than focusing on the source of energy. Based in Washington, D.C., CRES advocates for the advancement and deployment of cutting-edge clean energy technologies with the goal of both reducing global emissions and ensuring reliable and affordable energy.

Permitting reform is critical for advancing innovative technologies and unlocking the American resources necessary to meet growing energy demands.¹ Permitting reform will also increase American competitiveness, recapture American manufacturing dominance, reduce our reliance on adversarial nations and achieve the environmental progress we all desire. I would like to touch on these key themes that underline the necessity of the bills we are considering today.

Meeting Energy Demand: As our country enters a period of increased energy demand due to advanced manufacturing and data centers, permitting reform is the key to unlocking reliable, resilient and abundant energy. The largest expected increases for energy consumption by 2050 are in the industrial sector where energy consumption increases as much as 32 percent and in the transportation sector where energy consumption increases as much as eight percent.² To meet growing demand at home, time is not on our side. However, when coupled with international demand, the urgency for faster project permitting in the U.S. becomes even clearer.

Since 2019, U.S. energy production is greater than U.S. energy consumption – allowing the U.S. to become a net-exporter of energy.³ Looking forward, worldwide energy demand will continue to increase, and the U.S. plays a central role in meeting global demand while mitigating emissions as our energy exports offer a carbon advantage.⁴ In the 2023 International Energy

¹ CRES Forum, “Permitting Modernization and Reform”, June 2, 2022, <https://cresforum.org/publications/permitting-modernization-and-reform/>.

² U.S. Energy Information Administration, “Annual Energy Outlook 2023: Narrative”, March 16, 2023, <https://www.eia.gov/outlooks/aeo/narrative/index.php#ExecutiveSummary>.

³ U.S. Energy Information Administration, “U.S. Energy Facts Explained”, July 15, 2024, <https://www.eia.gov/energyexplained/us-energy-facts/>.

⁴ The Climate Leadership Council, “America’s Carbon Advantage: Unleashing the Power of Markets to Solve Climate Change,” September 2020, <https://clcouncil.org/reports/americas-carbon-advantage.pdf>.

Outlook, the U.S. Energy Information Administration (EIA) indicates that global energy consumption is expected to increase through 2050, outpacing efficiency gains and driving continued emissions growth.⁵ Specifically, their projections show:

- Primary energy demand will increase by up to 57 percent by 2050 compared to 2022.
- EIA expects renewables will meet the bulk of new energy demand through the projection period.
- EIA projects demand for oil and natural gas to increase through 2050 along with growth in global energy demand, including up to 57 percent increased global demand for natural gas.

When we consider our domestic needs with expected international demand forecasts, it becomes clear the U.S. must continue its leadership role in all forms of energy production. But meeting those demands will be increasingly difficult under today's federal permitting regime. Permitting reform measures, like those being considered today, will help address many of the bottlenecks and uncertainty developers are facing and will enable a more predictable federal process to review, approve and ultimately deploy new energy projects faster and at greater scale.

Economic Competitiveness: The United States is an undeniable leader in developing clean energy and innovative technologies. However, we must regain our leadership role in deployment. On federal lands, it takes roughly four years to construct utility-scale wind and solar projects, seven to ten years to obtain a mining permit and ten years to build a new transmission line.^{6 7 8}

Whether a new solar or wind farm, transmission line, hydrogen or natural gas facility, or other traditional infrastructure projects – each of these technologies and their related infrastructure are subject to an antiquated permitting system that too often results in unnecessary delays. Additionally, most major projects face years of litigation uncertainty, which further increases costs and can significantly prolong the time between an initial proposal and actual deployment.

A streamlined federal permitting system would significantly enhance business efficiency, attract investments and benefit consumers by ensuring timely project completion. Without predictable project timelines and efficient access to resources and energy, the U.S. risks falling behind in attracting and retaining global investments. To truly capitalize on domestic innovation, the U.S. must adopt agile permitting processes that prioritize clarity and speed, thereby fostering an environment where American innovations are developed and first deployed at home.

⁵ U.S. Energy Information Administration, "EIA projections indicate global energy consumption increases through 2050, outpacing efficiency gains and driving continued emissions growth," October 11, 2023, <https://www.eia.gov/pressroom/releases/press542.php>.

⁶ World Resources Institute, "Clean Energy Permitting Reform in the U.S.," February 9, 2023, <https://www.wri.org/insights/clean-energy-permitting-reform-us>.

⁷ National Mining Association, "Delays in the U.S. Mine Permitting Process Impair and Discourage Mining at Home," accessed September 8, 2024, https://nma.org/wp-content/uploads/2021/05/Infographic_SNL_minerals_permitting_5.7_updated.pdf.

⁸ National Academies of Sciences, Engineering, and Medicine, "Accelerating Decarbonization of the U.S. Energy System," January 2021, <https://nap.nationalacademies.org/catalog/25932/accelerating-decarbonization-of-the-us-energy-system>.

Manufacturing Dominance: In 2006, United States’ manufacturing output was double that of China. Today, China’s manufacturing output is double that of the United States, and our reliance on China for goods and resources has similarly grown. This is a trend that must be reversed for not only national security and economic reasons, but also environmental reasons. According to analysis by the Climate Leadership Council, the average product manufactured in China results in three times the emissions than if that product were manufactured in the United States.⁹

Bringing back American manufacturing dominance – particularly for industries utilizing advanced clean and innovative technologies – reduces our reliance on adversarial nations for products, energy or resources such as critical minerals. For example, China continues to flex its strategic monopoly on critical minerals such as gallium, germanium and graphite by tightening its export controls.¹⁰ Today, the U.S. is more reliant on foreign sources than ever for the minerals needed by our manufacturing, technology, energy, transportation, infrastructure and defense sectors – with imports making up more than half of U.S. consumption for nonfuel mineral commodities.¹¹

Unfortunately, the federal permitting process is working against our manufacturing sector, hindering efforts to onshore supply chains and provide affordable, abundant, clean energy. Companies often get stuck in extensive environmental reviews, bureaucratic hurdles and meritless litigation, adding years to project timelines and increased production costs, further burdening our manufacturing sector.

When we consider future minerals demands needed for domestic manufacturing, it is clear that the U.S. is behind China. National Environmental Policy Act (NEPA) reforms that increase domestic exploration, extraction, refining and processing are crucial to our attempts to catch up.

Environmental Progress: An antiquated permitting system delays environmental progress. Without question, the current permitting system is inconsistent with timely realization of the environmental benefits of clean energy innovation. Those who oppose modernizing NEPA and other permitting reforms because of “risk to the environment” ignore the environmental risks and climate impact of delays inherent in the current inefficient permitting system. If we truly care about the environment, we should embrace the classic environmental phrase of “think globally, act locally.” In this case, acting locally translates to meaningful and comprehensive reform to our permitting system. We can modernize our permitting system in a way that does not sacrifice environmental protection but, rather, enhances and accelerates environmental progress.

Innovation is meaningless if it remains on the drawing board and not in the market. Every day that innovation, particularly clean energy innovation, is delayed is a day without lower emissions and a cleaner environment. Whether it is next generation nuclear power, advanced clean hydrogen, energy storage, carbon capture technologies or renewables, each of these technologies

⁹ The Climate Leadership Council, “America's Carbon Advantage: Unleashing the Power of Markets to Solve Climate Change,” September 2020, <https://clccouncil.org/reports/americas-carbon-advantage.pdf>.

¹⁰ FTI Consulting, “China’s Export Controls on Critical Minerals – Gallium, Germanium and Graphite,” December 19, 2023, <https://www.fticonsulting.com/insights/articles/chinas-export-controls-critical-minerals-gallium-germanium-graphite>.

¹¹ National Mining Association, “U.S. Reaches Highest Recorded Mineral Import Reliance”, January 31, 2023, <https://nma.org/2023/01/31/u-s-reaches-highest-recorded-mineral-import-reliance/>.

and their supporting infrastructure are subject to an antiquated permitting system that too often results in unnecessary delays. While estimates vary on the impact of an inefficient permitting system, one study by the American Clean Power Association, an association that advocates for renewable energy, estimates that 100 gigawatts of domestic clean energy projects are at risk of significant delay due to permitting issues.¹² In their estimate, these delays will cause an estimated additional 550 million metric tons of carbon emissions this decade.¹³

The lost environmental benefit resulting from an inefficient permitting system is not limited to only the emissions reductions associated with domestic deployment of clean innovative technologies. Of equal, if not greater environmental concern, is that every delay caused by the antiquated permitting system makes it increasingly difficult for innovation to reach the necessary commercial scale and penetrate the global market.

Just twenty years ago, carbon emissions in Organization for Economic Cooperation and Development (OECD) nations were nearly identical.¹⁴ Today, non-OECD emissions are double that of OECD countries and growing fast, while the investment in energy in these countries is increasing significantly.¹⁵ If our goal is to reduce global emissions, it is imperative for new, cleaner and affordable innovative technologies to be available in global markets as soon as possible. Permitting inefficiencies in the United States not only delay domestic utilization of cleaner technologies, but also global access to affordable, commercial-scale innovation.

With these key themes of meeting growing energy demand, economic competition, manufacturing dominance and environmental progress in mind, we can see why both Republicans and Democrats increasingly recognize our permitting system is too long, too complex and too often delaying the completion of critical projects. To be clear, ensuring future prosperity as a nation requires a permitting system that is both meaningful and efficient.

Fortunately, congressional momentum to address this broken system continues to build.

There was tremendous optimism at the beginning of this Congress that meaningful federal permitting reform was finally within reach. Last March – over 18 months ago – the House passed a collection of permitting provisions contained within the *Lower Energy Costs Act* ([H.R.1](#)). This Committee, led by Chairman Bruce Westerman along with Subcommittee Chair Pete Stauber, Representative Garret Graves and many other members, played a vital role in important reforms included in H.R.1. CRES was proud to support that bill, which unfortunately has not been considered by the Senate.

This was soon followed by notable permitting reforms included in the Fiscal Responsibility Act (FRA), which was signed into law last year. The FRA permitting deal was a tangible, positive step forward on what was hoped to be a comprehensive bipartisan deal for broader permitting

¹² American Clean Power Association, “U.S. Permitting Delays Hold Back Economy, Cost Jobs,” April 2023, <https://cleanpower.org/resources/u-s-permitting-delays-hold-back-economy-cost-jobs/>.

¹³ Ibid.

¹⁴ Global Carbon Atlas, “Carbon Emissions Data,” accessed September 8, 2024, <https://globalcarbonatlas.org/emissions/carbon-emissions/>.

¹⁵ U.S. Energy Information Administration, “International Energy Outlook 2023”, October 11, 2023, <https://www.eia.gov/outlooks/ieo/>.

reform. Unfortunately, there have been bumps in the road, such as the Council of Environmental Quality's (CEQ) NEPA Implementing Regulations Revisions Phase 2, which are a step backwards, appear counter to both the letter and the intent of the FRA, and reduce optimism for a broader bipartisan deal.

But hope springs eternal. Bipartisan talks to modernize NEPA have continued in the House. I want to acknowledge the efforts of those on both sides of the aisle for their tireless, good-faith negotiations to reach a bipartisan agreement. We hope those conversations continue and that we can tackle this challenge being faced across America.

Additionally, we recently saw the Senate Energy and Natural Resources Committee advance bipartisan permitting measures led by Chairman Joe Manchin and Ranking Member John Barrasso. As acknowledged during the markup of that bill, there are still some outstanding issues that need to be resolved, but we are confident that an agreement can be reached, paving the way for consideration by the full Senate. CRES supported the committee's action, and we encourage Senate leadership to schedule floor time for the bill. We look forward to supporting its Senate passage and hope that the House will give it due consideration should it comes over.

With Senate action and increased House engagement – evidenced by this hearing today – we once again have momentum that could lead to meaningful, comprehensive modernization of our federal permitting system. Congress should seize this moment, and the work of this committee is key to turn that momentum into progress.

The Discussion Draft, introduced by Chairman Westerman, Representative Graves' bipartisan Council on Environmental Quality (CEQ) NEPA Implementing Regulations Revisions Phase II Congressional Review Act (H.J.Res.168) and Representative Rudy Yakym's bipartisan *Studying NEPA's Impact on Projects Act* (H.R.6129), offers momentum to the conversation surrounding permitting reform. **CRES is proud to support these provisions and will offer our thoughts on their respective role in improving our broken permitting system.**

Discussion Draft of H.R. (Rep. Westerman)

Chairman Westerman's discussion draft is a meaningful step in updating the NEPA process and builds on the current momentum. I am pleased to be here in support of this bill and encourage the committee to move it expeditiously. Let me speak to a couple of specifics in the bill that result in meaningful reform that will accelerate the permitting process without sacrificing environmental protection.

The bill implements important changes to reduce unnecessary delays both in agency processes and in the courts. It continues to provide important access to the courts for those who meaningfully engage in the process, while setting limits to ensure that adjudication is timely and comes with certainty.

It further clarifies and narrows what is defined as a triggering "major federal action" so that there is uniformity and clarity throughout the federal government. It provides much needed process direction and controls while staying true to NEPA's intent. It would modernize NEPA in a way that recognizes today's realities and needs, and it would give long-needed direction to agencies

on what to examine within impact studies, greatly reducing the opportunity for frivolous litigation.

These reforms will not only help to advance America's manufacturing and security future, but it will also result in significant environmental progress – accelerating emissions reductions at home and expanding the most environmentally friendly manufacturing and resource development in the world.

H.J.Res.168 (Rep. Graves of Louisiana)

Let me also emphasize CRES' support for Representative Graves' Congressional Review Act (CRA) legislation (H.J.Res.168), which CRES expressed when the bill was introduced in June. We are concerned that CEQ's Phase II regulations add burdens to an already overburdened NEPA process and missed the opportunity to capitalize on the progress included in the FRA. This bipartisan, bicameral legislation will allow CEQ to go back to the drawing board to align with the law and congressional intent to reduce redundancies and provide greater simplicity for federal reviews.

H.R.6129 (Rep. Yakym)

Likewise, I am pleased to offer CRES' support for the bipartisan *Studying NEPA's Impact on Projects Act* (H.R.6129) which would reconstitute and increase transparency of public information surrounding NEPA. We support increased transparency, information availability and public disclosure as projects progress through the review process.

In conclusion, it is imperative that we translate current momentum into tangible legislative action by advancing comprehensive permitting reform. CRES is committed to the further exploration of today's proposals and encourages a collaborative, bipartisan effort. We believe that through continued work, Congress can craft a robust and bipartisan permitting reform package that aligns with our shared interests for innovation, job creation and environmental sustainability.

CRES appreciates the opportunity to discuss these bills and share our perspectives on the importance of finding congressional consensus to advance commonsense permitting reforms. Such reforms will accelerate the deployment of important projects that will spur American innovation, support good-paying jobs and economic development, and ultimately lower global emissions.

Thank you again for the opportunity to testify. I look forward to your questions.