

Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Hearing on “American Energy Security and Innovation: An Assessment of Private-Sector
Successes and Opportunities in Energy Efficient Technologies”
February 26, 2013

(As Prepared for Delivery)

Energy prices are a function of supply and demand, and high prices are a clear sign that supply is struggling to keep up with demand. That is why expanding domestic energy supplies is a big part of the solution to the nation’s energy challenges and one that this subcommittee will continue to address. But this morning’s hearing will focus on the demand side of the energy equation, and specifically private sector efforts to develop and utilize innovative technologies and processes to reduce waste and cut costs.

History teaches us that nothing is more efficient than the free market. The only thing you need to spur innovations that improve energy efficiency is profit-seeking companies responding rationally to high energy bills. Any company that doesn’t use energy as wisely as possible will lose ground to a competitor that does. This is why free economies are the most efficient and have the lowest energy inputs per unit of gross domestic product. Contrast that with centrally planned economies which are among the least efficient.

These private sector innovations can take the form of energy efficient technologies like combined heat and power systems. They can also take the form of novel instruments like energy savings performance contracts. We will discuss both kinds of innovations today.

The benefits of energy efficiency are something that both Republicans and Democrats can agree upon. They are also something that both the House and the Senate can agree upon, which is why I am pleased that Senators Lisa Murkowski and Jeanne Shaheen are joining us to discuss energy efficiency efforts underway in the Senate. Those of us in the House are always ready to learn from the world’s greatest deliberative body.

Some make the mistake of thinking that efficiency only happens as a result of federal regulations or other mandates. But the stories we will hear from our private sector witnesses demonstrate otherwise. Utilities, manufacturers, commercial property owners and others are continually developing clever new ways to save on their energy costs, and are not waiting for orders from Washington DC.

In fact, government policy can sometimes get in the way of energy efficiency. For example, a provision included in the Energy Independence and Security Act of 2007 mandates the elimination of all fossil fuel-generated energy use in new and modified federal buildings by the year 2030. This federal mandate potentially restricts the adoption of high-efficiency technologies such as natural gas combined heat and power and waste heat recovery systems in federal facilities. We need to reconsider any and all federal impediments to energy efficiency.

On the other hand, there is a constructive role for the government to play, such as utilizing the latest advances to improve efficiency in federal buildings, and in conducting energy efficiency research. We need to steer government efforts in a positive direction.

Necessity is the mother of invention, and the necessity brought on by expensive energy, tight budgets, and the pressures of global competition has fostered some great private sector advances in efficiency. I look forward to learning more about these exciting developments.

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