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Opening Statement of Senator Chuck Grassley
Committee on Finance Hearing, “Clean Energy: From the Margins to the Mainstream”
Thursday, March 29, 2007

First of all, I would like to thank Chairman Baucus for calling this hearing on electricity from renewable energy. The Finance Committee has been very successful in identifying energy tax issues that have created domestic energy options for the nation. Everyone wants to talk about shaking our growing dependence on foreign fossil fuels, but we will never have that opportunity in our lifetimes if we do not aggressively identify domestic energy options. The Finance Committee has jurisdiction over all of the potential tax and trade provisions that can help create a consistent sustainable energy policy for this nation.

As a long-term member of this committee and the previous chairman of this committee, I have aggressively proposed utilizing the tax code to help level the playing field between renewable resources and traditional fossil fuel-powered electricity.

In fact, for years, I have worked to decrease our reliance on foreign sources of energy and accelerate and diversify domestic energy production. Public policy ought to promote renewable domestic production that uses renewable energy and fosters economic development.

Specifically, the development of renewable energy resources conserves existing natural resources and protects the environment. Finally, alternative energy development provides economic benefits to farmers, ranchers and forest land owners, such as those in Iowa who have launched efforts to diversify the state’s economy and to find creative ways to extract a greater return from abundant natural resources.

I have been a constant advocate of alternative energy sources. I proposed the original wind energy credit which became law in the Energy Policy Act of 1992. Since inception of the wind energy tax credit, wind energy production has grown from being almost non-existent to the success story of today. In addition, wind represents an affordable and inexhaustible source of domestically produced energy.

It is my hope that the Senate continues to support this maturing green energy source that has environmental benefits. Every 10,000 megawatts of wind energy produced in the United States can reduce carbon monoxide emissions by 33 million metric tons by replacing the combustion of fossil

fuels. In addition, some studies suggest that for every 100 megawatts of wind you could save an equivalent of over 500,000 barrels of oil per year. These are important issues as we consider our energy options of the future. I am proud to say that the State of Iowa has over 1000 megawatts of wind facilities in operation making a substantial contribution to emissions free electricity and displacement of fossil fuel.

Today, I expect to hear many bold plans and accomplishments on electricity policy, but I will be most interested in those ideas that help to empower our rural communities to reap continued economic benefits and diversifying our electricity portfolio and reduce our impact on global climate issues.

And finally, I have growing concerns that our U.S. trade deficit has been substantially impacted by our continued reliance on foreign fossil fuel and U.S. reliance on foreign technology and imported equipment needed to fully utilize capturing and converting wind, solar and biomass energy options. I am pleased the Finance Committee will have the opportunity to hear the views and experiences of His Excellency John Bruton, the Ambassador to the European Commission Delegation, and his discussion of the European Union's experience in renewable electricity. Increased independence from fossil fuels and reducing any potential impact on global climate issues is a world wide issue. I am pleased the Finance Committee energy hearing schedule has included worldwide experience as we continue to review our options for a stable long-term policy on electricity.