

**Statement Before the Congressional Western Caucus
February 27th, 2019
1300 Longworth HOB**

Chairman Gosar and Members,

My name is Michael Zehr. I'm the Federal Policy Advisor for Consumer Energy Alliance (CEA), and I appreciate this opportunity to speak with you today.

CEA is the leading bi-partisan, consumer advocate for energy with more than 280 member organizations and 550,000 individual members nationwide. Our mission is to help provide a voice for those who have been forgotten in the energy debate by bringing together families, farmers, small businesses, distributors, producers, and manufacturers to support America's environmentally sustainable energy future and engage in a meaningful dialogue about America's energy future. CEA works daily to encourage people across the nation to seek sensible, realistic and environmentally responsible solutions to meeting our nation's energy needs by looking at various resources across our nation's fuel mix.

That is because energy touches every facet of our lives. Even this hearing today was made possible by energy development, the manufacturing and technology sectors, and even those who transported those products to the marketplace.

That is why we believe it is necessary for all consumers, including yourselves, to actively engage in a pragmatic, solutions-based conversation about how we develop and diversify our energy resources and energy's importance to the economy. Through thoughtful dialogue, we believe we can help produce our nation's abundant energy supply while balancing the energy needs of our communities with our nation's environmental and conservation goals.

We understand that the face of energy is evolving daily and it is important to understand the true impacts of the policies and proposals that fuel America's energy economy. When news of the Green New Deal broke, CEA took the opportunity to assess some true potential impacts of the policy.

The Green New Deal is a broad policy plan that sets out ambitious goals for energy and economic policy. My testimony today will briefly address the impact of the Green New Deal through its effect on households, particularly the appliances that each of us uses in our daily lives.

First, it is important to note that Americans today are spending an annual average of \$3,512 per person on energy.ⁱ With the average worker making \$50,231 per year, that is a staggering amount of money devoted to keeping the lights on, the house warmed and cooled, and the gas tank full.ⁱⁱ

Based on CEA's analysis, the "Green New Deal" is pretty clearly a bad deal for American energy consumers. It is designed to completely replace America's use of abundant and affordable energy sources such as coal, natural gas, nuclear and petroleum, with less abundant, less efficient and technologically unavailable energy sources.

Consider just one of the many mandates and directives envisioned which would force consumers to switch from clean natural gas appliances to electric models. Many common household appliances, such as furnaces, water heaters, stoves, and dryers, are powered by clean natural gas and would have to be replaced at a substantial expense to hardworking families across the country.

Most American households also rely on that same clean-burning natural gas for cooking and cleaning, and roughly 59.5 million households across the U.S. are reliant upon natural gas for heat, a source that was crucial during the recent polar vortex.ⁱⁱⁱ On average, a new electric furnace and installation cost \$2,615 which would be more than \$155.5 billion in replacement costs nationwide.^{iv} That is a staggering number considering that 69% of Americans have less than \$1,000 in total savings and 34% have no savings at all.^v

Just consider that, because the Green New Deal would also require replacing all home water heaters for 56.3 million American households.^{vi} For households to comply, they would have to shell out an additional \$889^{vii}, totaling more than \$50 billion across the U.S.

Additionally, 39 million households would have to replace their clean natural gas cooking range.^{viii} Even if they chose a low-end electric range, the additional expense would be \$678, a total cost of more than \$26.4 billion in replacement costs nationwide.^{ix}

Furthermore, one would have to consider the 17.9 million new electric clothes dryers that would need to replace the current gas dryers^x at an average installed cost of \$665 or \$ 11.9 billion nationwide.^{xi} The total for replacement of these four common household appliances under the Green New Deal is almost \$244 billion. That is over five times more than we spend on federal highway funding and that is just to replace four appliances.

These replacement costs are a greater burden for the 39.7 million Americans living at or below the poverty line.^{xii} Moreover, this is not accounting for most Americans who lack the financial resources to replace even the most necessary appliances the Green New Deal would like to change out. With American's having \$1,000 or less to cover a financial emergency, the burden of these replacement costs becomes more apparent.^{xiii} American consumers need practical energy solutions that come from our nation's existing mix of affordable energy resources. As it stands, the Green New Deal does not offer cost-efficient or sustainable solutions for hardworking families and businesses across our country.

The Green New Deal should also face scrutiny from an environmental perspective. It is a fact that the United States is leading the world in emission reductions. From greenhouse gases to volatile organic compounds to sulfur dioxides, every single air quality standard has improved significantly over the past few decades. This is an amazing story that the Green New Deal fails to recognize. Yes, we must continue to improve our environment. And, we are showing that we can – without radical proposals like the Green New Deal.

Policies like this continue to fuel CEA's goals of educating and advocating for the consumers, so they see through policies that sound good theory but do not apply well in practice. We recognize the increasing role of renewables as part of an important mix of energy sources that power our grid and support the expansion of sources that continue to contribute towards a robust and reliable grid. However, as this laudable transition takes place, we caution against the adoption of policies like the Green New Deal which may do lasting harm to our nation's energy security and the financial well-being of millions of families and businesses that are already struggling to make ends meet.

ⁱ U.S. Energy Information Administration, https://www.eia.gov/state/seds/sep_sum/html/pdf/rank_pr.pdf

ⁱⁱ Social Security Administration: National Wage Index, <https://www.ssa.gov/oact/cola/AWI.html>

-
- iii U.S. Energy Information Administration, <https://www.eia.gov/consumption/residential/data/2015/hc/php/hc1.1.php>
- iv Home Advisor, <https://www.homeadvisor.com/cost/heating-and-cooling/install-a-furnace/>
- v CNBC, <https://www.cnbc.com/2018/01/18/few-americans-have-enough-savings-to-cover-a-1000-emergency.html>
- vi U.S. Energy Information Administration, <https://www.eia.gov/consumption/residential/data/2015/hc/php/hc1.1.php>
- vii Home Advisor, <https://www.homeadvisor.com/cost/plumbing/install-a-water-heater/>
- viii U.S. Energy Information Administration, <https://www.eia.gov/consumption/residential/data/2015/hc/php/hc1.1.php>
- ix Homewyse, https://www.homewyse.com/costs/cost_of_electric_ovens.html
- x U.S. Energy Information Administration, <https://www.eia.gov/consumption/residential/data/2015/hc/php/hc3.1.php>
- xi U.S. Energy Information Administration, <https://www.eia.gov/consumption/residential/data/2015/hc/php/hc3.1.php>
- xii Talk Poverty: Poverty Data, <https://talkpoverty.org/poverty/>
- xiii Bankrate, <https://www.bankrate.com/banking/savings/financial-security-0118/>