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Wyden Hearing Statement on IRA Tax Incentives to Create Jobs and Investments in Energy Communities

As Prepared for Delivery

The Finance Committee meets this morning for our first hearing on America's energy transformation since the Inflation Reduction Act became law.

Two years ago, almost to the day, this committee voted on the Clean Energy for America Act. In writing that legislation, our lodestar was developing a technology-neutral, market-oriented energy policy in which the more you reduce carbon emissions, the bigger your tax savings. The old status quo -- big breaks for big oil, and major uncertainty for clean energy -- was holding our economy back and stifling innovation in America.

Since Democrats passed the IRA, there has been an explosion of new investment announced in clean energy projects all over the country. Wind energy, solar, electric vehicle manufacturing, energy storage.

So far those announcements add up to nearly a quarter trillion dollars of private investment coming off the sidelines. Nearly 150,000 jobs created, many of which will not require a college degree. One new analysis broke the announcements down by state. I'll share a few examples relevant to this committee:

- North Carolina, \$5.6 billion.
- South Carolina, \$11 billion.
- Ohio, \$7.8 billion -- a big chunk of which is solar manufacturing that Senator Brown fought to ensure the bill would make possible.
- Texas, \$5 billion.
- Tennessee, \$5.6 billion.
- Michigan, \$20 billion.

These projects are taking off all over the country, and they have exceeded expectations. These investments help cut carbon emissions. They help prevent the worst climate disasters. And they help fire up the economic engine for entire communities where the shovels are going into the ground.

A big part of our effort in the IRA was giving a special boost to coal towns and other communities built around extractive industry. The status quo failed them. Plants shuttered, and the people in those communities were too often overlooked and forgotten.

When we wrote the Inflation Reduction Act, people in coal towns had no bigger champion than Senator Casey. He worked to create a special program called “energy communities,” which adds a bonus incentive to drive investment in struggling coal towns and areas with similar histories.

Senator Stabenow ensured that those communities would get an additional boost for advanced manufacturing. Senator Cortez Masto made sure the law would also attract investment to communities with areas known as brownfields, which are often the polluted remnants of old industrial facilities.

This work continues a longstanding effort by Finance Committee Democrats to look out for the interests of coal miners and their families. Senator Brown and Senator Casey fought for years to shore up the miners’ health care and pensions. Senator Warner and Senator Carper were also co-sponsors of the bill that got that done.

So colleagues, the IRA is major progress on clean energy that’s just beginning to take off now that the rules pertaining to energy communities were recently put in place.

The catch is, House Republicans want to repeal nearly all of the energy policies in the Inflation Reduction Act. That’s what the McCarthy plan does.

It would be a major act of economic self-sabotage, because a majority of the investments announced since the IRA became law are going to states represented by Republican Senators.

I’ve heard members say that the IRA policies on energy were totally unnecessary, because these clean energy investments would have happened on their own. The reality is, the level of clean energy investment and job creation would not be anywhere near this high without the Inflation Reduction Act. The old system was holding this investment wave back.

Other members claim the IRA is somehow a threat to America’s energy security. Wrong again. The IRA is all about lowering carbon emissions and creating jobs with clean, made-in-America energy. The U.S. will be less reliant on oil and gas, and that means that Americans will be less vulnerable if Vladimir Putin or other adversaries of the United States decide they want to create chaos and hike up prices.

Two years ago, members of this committee showed real guts to pass the bill that kicked off this energy transformation. They cast tough votes. They took on special interests.

And now the Inflation Reduction Act is proving that you can cut carbon emissions and create jobs and opportunity for Americans all at the same time.

I want to thank our witnesses for joining the committee.

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