



April 27, 2021

Testimony of the Honorable Jason Isaac
Director, Life:Powered
Texas Public Policy Foundation
Before the
U.S. Senate Committee on Environment and Public Works
Clean Air, Climate, and Nuclear Safety Subcommittee

Chairman Markey and Members:

On behalf of Life:Powered, a national initiative of the Texas Public Policy Foundation to raise America's energy IQ, thank you for the opportunity to testify today.

From 2011 to 2019, I served over 200,000 people in the Texas Hill Country as a member of the Texas House of Representatives. During my four terms in office, I primarily served on the Environmental Regulation, Energy Resources, and Economic Development committees. I was successful at passing legislation to further Texas's environmental leadership while promoting economic prosperity—two things that go hand in hand.

The National Climate Bank Act would impose a massive cost to taxpayers and create an uneven regulatory playing field but provide no environmental benefits whatsoever.

The idea of a federal climate bank has been proposed for years, and the market has responded. Wall Street and global financial firms in the Climate Action 100+ are colluding to force companies they invest in to divest from fossil fuels, denying financing and investment unless energy businesses kowtow to arbitrary and expensive emissions reductions and to prop up these financial institutions' massive investments in "green" energy that, without government subsidies, would otherwise fail. In reality, there already is a climate bank, making S. 283 redundant and unnecessary.

Unfortunately, this climate cartel will prove a disaster for our entire economy. Restricting financing to American energy producers based on political whims kills good-paying jobs, increases our cost of living, and reduces the capital available to invest in the energy technologies of the future—while giving a leg up to less responsible energy producers. The less energy the United States is free to produce, the more we and our allies are forced to rely on hostile, unstable nations with lax environmental and labor standards. This is harmful not just for energy businesses but also for energy consumers—that means each and every American.

We recently spoke with Governor Mike Dunleavy of Alaska, whose state is having to [invest its own money](#) to develop new Arctic oil and gas reserves because the major banks and oil and gas companies will not invest there. In Texas, we have heard from numerous energy producers that they are struggling

to sustain and grow their businesses because of banks refusing to finance them. One producer has said that even if oil prices fall to \$40/barrel, he could still add more drilling rigs and employ hundreds more people if he had better financing options.

None of this means individual investors should not be free to allocate their money however they choose, or even that investment managers must choose to invest in fossil fuels. Private businesses and individuals should be allowed to exercise their best judgment. But the level of collusion occurring within this energy discrimination movement makes a free and competitive market nearly impossible. And the government should certainly not engage in the same kind of bully tactics. The National Climate Bank Act is nothing more than a slush fund for companies the people in power deem politically correct—paid for at the taxpayers' expense.

Environmental Quality and Prosperity Go Hand in Hand

Contrary to the narrative that our environment is bad and getting worse—and that it is all our fault—America is a world leader in environmental protection. We are the only highly populated nation to meet the World Health Organization's standards for safe air, and we have cut [emissions of criteria air pollutants by 77% in the last 50 years](#).

In fact, our air is now so clean it is almost indistinguishable from natural background levels. During the COVID-19 shutdowns, when 40% or more of vehicle traffic was taken off the roads and significant industrial activity slowed, the [Texas Public Policy Foundation's research](#) shows there were no meaningful improvements in air quality. Anecdotal stories about the sky supposedly looking bluer do not stand up to the facts—at least in the United States. In fact, in some U.S. cities, the air actually got worse during the early months of the shutdowns.

Pollen, dust, and weather patterns have a much larger impact than human activity on our air quality. Pollution is no longer a significant threat to Americans' lives. This progress occurred over both Republican and Democratic administrations, and it happened while our population, economy, and energy consumption all grew significantly.

We did not get here through onerous regulations. America is leading the world in clean air and water through free-market innovation and technology—in large part because of, not despite, our access to affordable, reliable energy resources.

I have mentioned to some of your colleagues and other members of Congress that of all the technology the Chinese steal from us, it would be nice if they would utilize our pollution control technology. In southern California, [ozone levels are 65% higher due to Asian air pollution](#) that makes its way across the Pacific Ocean.

A Climate Bank Would Not Change the Climate

When it comes to climate change, the news is similarly good. While media headlines trumpet worst-case-scenario data models, failing to mention any scientific uncertainties or the appropriate statistical context, the best science suggests the climate will remain mild and manageable while our resilience continues to improve. According to the *Wall Street Journal*, in his new book, [former President Obama's chief energy scientist](#) Steven Koonin argues that the mainstream media's interpretation of climate science has "drifted so far out of touch with the actual science as to be absurdly, demonstrably false."

You and I and everyone in this room are 99% less likely to die in a climate-related disaster than our grandparents were. Deaths due to these disasters have declined at a much faster rate than deaths due to non-climate-related disasters like volcanoes and earthquakes. Improved technology and reduced poverty—both of which fossil fuels provide—affect our adaptability far more than carbon dioxide emissions.

Meanwhile, the same data models used to stir up anxiety and alarm on climate change show that even the strictest anti-fossil fuel policies would be fruitless. Eliminating U.S. fossil fuel consumption completely by 2030—doubling President Biden's proposal—would [reduce global average temperatures by less than two tenths of a degree](#) at the end of the century. If even going all-in on the Green New Deal would not amount to a drop in the bucket, a Climate Bank initiative would not move the needle at all. In fact, the bill does not include any emissions provisions at all.

Instead of perpetuating the climate alarmists' myopic and incredibly expensive fixation on carbon dioxide emissions, the federal government should be focused on solving the real problems facing the American people here and now. If ever there was a crisis, it is global poverty. America and our vast energy resources, produced more responsibly than anywhere else on earth, hold the key to ending poverty as we know it.

Waste of Taxpayer Dollars

The National Climate Bank would be one of the most flagrant examples of the government picking winners and losers at the taxpayers' expense in American history. Its cost, lack of accountability, and market-distorting effects should be a concern for our elected leaders.

In a recent committee hearing, Senator Carper referenced infamous bank robber Willie Sutton and his alleged comments about why he robs banks, "because that's where the money is" he claims. Companies, both American and foreign, will line up, at the expense of Americans, to rob this Climate Bank because that's where the money is. Right now, in the Texas Legislature, a bill is working its way through the process to deny a Houston-based wholly owned subsidiary of a Chinese company whose CEO is a former general in the People's Liberation Army and a member of the Chinese Communist Party from connecting to the ERCOT grid. Because of "where the money is," this company has bought 130,000 acres of land near the Laughlin Air Force base with the hopes of building a massive, heavily subsidized wind farm.

The recent blackouts in Texas that resulted in at least 111 deaths should be a dire warning against even more market-distorting policies. The market has responded to those subsidies accordingly. Installation

of wind- and solar-generated electricity, unreliable variable forms of generation, have increased more than 200% in the last 10 years, while reliable thermal generation has declined nearly 5%. Now, the installed generation of the ERCOT Texas grid is 33% of unreliable variable generation. On the day of the blackouts, wind and solar provided 8% of the electricity on the grid while fossil fuels and nuclear provided 91%.

Not only does energy discrimination negatively impact our vital energy businesses, further distorting the market and giving unreliable renewable energy an artificial advantage, it threatens our energy independence and strikes at the heart of many bedrock principles of capitalism that have made our country so prosperous.

I urge the committee not to proceed with any further consideration of S. 283 and instead focus on proposals that protect the American people's tax dollars.

Sincerely,

A handwritten signature in black ink that reads "Jason Isaac". The signature is written in a cursive style with a large initial "J" and "I".

The Honorable Jason Isaac
Director, Life:Powered
Texas Public Policy Foundation