

**Statement of
Ben Fowke
Chairman and Chief Executive Officer
Xcel Energy**

**Before the
U.S. Senate Committee on Environment and Public Works**

**Hearing Entitled
“Building Back Better: Addressing Climate Change in the Electricity Sector
and Fostering Economic Growth”**

March 10, 2021

Chairman Carper, Ranking Member Capito, and members of the Committee, my name is Ben Fowke, and I am the Chairman and CEO of Xcel Energy, a Minnesota-based public utility holding company serving 3.6 million electric customers and 2 million natural gas customers in eight Western and Midwestern states. I also serve as the Chairman of the Board of the Edison Electric Institute.

Xcel Energy has long been a clean energy leader. In 2020, we achieved a 51% reduction in carbon dioxide emissions from 2005 levels. Just over two years ago, I announced a two-part goal for Xcel Energy’s electric business: to deliver 100% carbon-free energy by 2050 and, in the interim, to reduce our carbon dioxide emissions by 80% from 2005 levels by 2030.

Xcel Energy is a clean energy leader because we can take advantage of the extraordinary wind and solar resources in our backyard. But our whole industry is moving. Since December 2018, more than two dozen EEI member companies have established zero or net-zero targets of their own.

Our strategy assures reliability and keeps bills low. A reliable and affordable electric system is critical to our nation’s economic growth.

The good news is that our strategy is working. We have announced plans to greatly expand our portfolio of low-cost renewables, extend the life of one of our nuclear units, build new, efficient natural gas fired generation and retire or reduce the operation of our coal plants.

These plans will reduce emissions while keeping service reliable and affordable. They rely on proven technologies, especially renewable energy. By 2030 we estimate that renewable energy will make up two-thirds of our energy mix. However, renewable energy can only take us so far. At higher levels of intermittent renewables, the cost of the energy system begins to

skyrocket, and its reliability degrades. That means that the whole industry – even Xcel Energy with our remarkable renewable resources – will need some form of new, carbon-free, 24/7 dispatchable generation to remove the last increment of emissions on our system and get to zero.

These technologies may include hydrogen, advanced nuclear, advanced renewables like deep geothermal, carbon-capture and storage, or other things we haven't thought of yet. Public policy can help make these technologies a reality, and we, along with EEI and environmental groups, are encouraging Congress to pass a carbon-free technology initiative focused on federal policies that will encourage their deployment.

These technologies require the kind of innovation that America can deliver. With the right policies, I'm confident that our laboratories, companies and entrepreneurs can develop these technologies and create new jobs and remarkable economic opportunity at home and abroad.

But these technologies won't be available overnight. Until they arrive, we will still need natural gas and existing nuclear generation on our system. Natural gas and nuclear will facilitate high levels of renewable energy and maintain grid reliability. New natural gas will operate only when needed - a small number of hours each year during peak demand when renewables are not available. For the next two decades at least, natural gas and nuclear do not stand in the way of the industry's clean energy transition: they make it possible.

In other words, a balanced, diverse energy portfolio is the key to an affordable and reliable clean energy system. The extreme weather that impacted our nation during Presidents Day weekend made that clear. We do not serve the portion of Texas that was most affected, and, for our system, we were able to maintain electric power and natural gas service for our customers, although we and our customers did experience enormous fuel cost increases.

The reliability of our system was no accident. It was the result of actions we have taken over the last decade to invest in a balanced resource mix, one that includes nuclear, coal, gas, wind and solar. We relied on all these resources during the cold snap. We also invested in the resilience of our generating resources, for example by equipping our wind turbines with cold weather protection and by making sure our natural gas fired plants are winterized and equipped with dual fuel capabilities. Going forward, we must assure the resilience of our nation's natural gas production and pipeline system.

With the right policies, electric utilities can lead the nation to an affordable, reliable and prosperous clean energy future. Congress can help. We believe that the right kind of clean energy standard would help promote clean energy transformation. To accelerate clean energy development, Congress must also reform the current clean energy tax incentives by providing a

direct pay option and by addressing tax normalization. I have provided more detail about these tax policies with my written testimony for the record.

Thank you for the opportunity to speak with you today. I look forward to your questions.