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Introduction

Thank you, Chairman Latta, Ranking Member Castor, and distinguished Members of the Energy Subcommittee. It is an honor for me to testify before you today and represent the Department of Energy at this hearing. I look forward to discussing with you the pieces of legislation in question.

Securing America's Critical Minerals Supply Act (Discussion Draft)

To maintain America's national security, it is imperative that we strengthen our energy security. We can achieve both goals by promoting the production of our domestic resources and by securing the supply chains for these critical resources. Currently, the U.S. is reliant on other nations, including some U.S. adversaries, for the supply of these resources. This doesn't need to be the case. The U.S. and its allies have the natural resources, and we can reshore production capabilities, resulting in more secure supply chains and greater energy security for the American people. Under the leadership of President Trump and Secretary Wright, the Department of Energy is working to develop more secure domestic supply chains for critical minerals. Earlier this month, the Trump administration added two DOE-supported critical energy resource projects to the FAST 41 permitting process to accelerate project timelines for key supply chains. But more can be done at the federal level to accelerate the development of these critical resources.

To that end, the draft legislation, "Securing America's Critical Minerals Supply Act," defines "critical energy resources" as any energy resource that is "essential to the energy sector and energy systems of the United States" and has a supply chain that is "vulnerable to disruption." It mandates that the Secretary of Energy, in consultation with appropriate agencies and stakeholders, proactively conduct ongoing assessments of:

- Energy resources and their criticality,
- The critical energy resource supply chain and its vulnerability,

- How American energy security is impacted by the country's reliance on importation of these resources, and
- How adversarial nations seek to exploit our critical energy resource markets to undermine investment in the United States

Additionally, the bill mandates efforts to facilitate development of strategies to strengthen critical energy resource supply chains in the United States, to develop substitutes and alternatives to critical energy resources, and to improve technology that reuses and recycles critical energy resources.

The activities that this legislation calls for build on efforts already underway to strengthen DOE analysis to focus efforts and eliminate supply chain vulnerabilities.

Researching Efficient Federal Improvement Acts for Necessary Energy Refining (REFINER) Act (Discussion Draft)

Petrochemicals play a critical role not only in America's energy supply chain, but also in the manufacturing of hundreds of thousands of the essential items we use in our everyday lives. These items include medical supplies, cosmetics, refrigerants, fertilizers, and clothing. According to the Energy Information Administration, the United States currently consumes more than 20 million barrels of petroleum products per day¹. As such, each one of our nation's refining facilities are critical to ensuring affordable energy and economic prosperity. However, as with other components of our energy system, the United States is overly reliant on aging infrastructure, with the last significant new refinery being built in the US in 1976, back when we were a net importer of oil. Furthermore, in the last four years the US operable refinery capacity has decreased by nearly 600,000 bbl/day, down 1.6% since 2020.²

The Researching Efficient Federal Improvement Acts for Necessary Energy Refining (REFINER) Act, mandates that the National Petroleum Council submit to the Secretary of Energy and to Congress a report containing an analysis of petrochemical refineries in the United States and their contributions to American energy security. It would also include projections of refinery capacities, opportunities for expansion, risks, and an assessment of Federal or State policies that have contributed to a decline in refinery capacity. A comprehensive understanding and analysis would provide valuable insight that is necessary to lowering costs for millions of American energy consumers.

Unlocking Our Domestic LNG Potential Act (H.R. 1949 – Rep. Pfluger)

America has been blessed by an abundance of natural resources. At the forefront of this is our supply of natural gas, which fueled America's energy independence under President Trump's first term. Our natural gas supply is vast enough to support consumer demand for affordable,

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 $https://www.eia.gov/tools/faqs/faq.php?id=33\&t=6\#:\sim:text=Although\%20we\%20use\%20petroleum\%20product,7.39\%20billion\%20barrels\%20of\%20petroleum.$

² https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=8 NA 8D0 NUS 4&f=A

reliable and secure energy here at home while allowing us to grow our economy and support our allies by exporting LNG abroad. Exporting American LNG not only helps America's allies reduce their energy dependence on foreign adversaries but also strengthens America's role as a global energy leader. Under the leadership of President Trump and Secretary Wright, the Department of Energy has officially ended the previous administration's freeze on LNG export permits, approving four export projects or project extensions since January, totaling 9.54 Bcf/d, with many more to come. Additionally, the Department has removed intentionally burdensome LNG regulatory barriers including returning to the issuance of extension requests for existing export authorizations on a case-by-case basis and streamlining oversight for the use of LNG to power marine vessels. These policies provide a tremendous positive market signal throughout the entire U.S. natural gas supply chain.

The *Unlocking Our Domestic LNG Potential Act* would provide the Federal Energy Regulatory Commission the authority to approve or deny an application for authorization for the siting, construction, expansion, or operation of a facility to export or import natural gas. Per EO 14215, it is the policy of the executive branch to ensure Presidential supervision and control of the entire executive branch, including independent regulatory agencies. The Department would like to work with the sponsor and Committee regarding implementation of the bill's provisions.

Electric Supply Chain Act (Discussion Draft)

Our energy system is the backbone of our country, and our electrical grid is an essential component. As with other aspects of our energy system, our electric grid and associated supply chain come with many vulnerabilities that could cause catastrophic damage to our country if exploited. There are many, many steps that are involved in the generation and transmission of electricity, starting with the harvesting of resources and ending with the use of power in our homes and businesses. For example, the domestic production of copper and electrical steel used for transmission wires and transformers needs to be improved.

Currently, we rely on other nations for these critical energy resources. Shoring up the materials and production of grid equipment is critical to the security of our energy system, disaster recovery, and grid resilience.

The *Electric Supply Chain Act* would mandate the Secretary of Energy to conduct regular assessments of the supply chain for the generation and transmission of electricity. This report would provide opportunities for the Secretary to conduct a wholesale assessment of the nation's electrical system, to examine generation and transmission risks, to evaluate national security considerations, and ultimately to provide recommendations that would help secure supply chains and reduce vulnerability.

National Coal Council Reestablishment Act (Discussion Draft)

The National Coal Council (NCC) was originally established in 1984 as a Federal Advisory Committee to the Secretary of Energy.³ The main purpose of this committee was to provide private sector input on policies that would affect the coal industry, as well as provide scientific and strategic advice on coal production and use. Unfortunately, the Biden administration did not renew its charter in 2021, and the council ceased operations.

As the name indicates, the *National Coal Council Reestablishment Act* directs the Secretary of Energy to reestablish the council and allow coal experts to sit at the table of energy policymaking. The Secretary of Energy supports the goals of this legislation and has already begun the process to relaunch the NCC.

Conclusion

Thank you for the opportunity to appear before the Subcommittee today. I am eager to discuss ways we can work together to ensure American energy dominance and lower costs for the hardworking families of our country.

I look forward to your questions.

³ https://www.nationalcoalcouncil.org/page-NCC-History.html