

Chairman Smith, Ranking Member Neal, and Members of the Committee:

Thank you for the opportunity to share my tax priorities for the 119th Congress. As the representative for Iowa's 1st District, a member of Energy & Commerce, and the Chairwoman of the Conservative Climate Caucus, I represent America's heartland where agriculture and energy production come together to strengthen our nation's energy independence – while maintaining some of the lowest electricity prices in the country. This success story shows the vital role that American energy production plays in supporting our economy, strengthening our national security, and providing good jobs for working families.

However, our energy sector faces significant challenges that demand bold action. Rising global energy demand, geopolitical instability, and the need for greater resilience in our energy systems all underscore the urgency of developing a comprehensive American energy strategy. We must act now to secure our energy future, lower costs for consumers, increase accessibility, and maintain our nation's competitive edge.

That's why I am here today – to advocate for an all-of-the-above energy approach that leverages American innovation and unlocks the full potential of our diverse energy resources. By responsibly developing our oil and gas reserves, supporting the growth of renewables, and investing in cutting-edge clean energy technologies, we can enhance America's domestic production, boost our economy, and strengthen our national security. This approach allows us to enhance the reliability of our energy grid and allows for greater flexibility in meeting the growing energy demands of our economy while reducing the risks associated with relying too heavily on one source.

While I believe the partisan process used to pass the Inflation Reduction Act (IRA) created a deeply flawed bill in many respects, it did include some important energy tax credits that are already driving transformative investments across the U.S. energy sector. Many of these credits have historically enjoyed bipartisan support. American companies are utilizing them right now to develop critical new energy infrastructure, spur innovation, and create good jobs in communities nationwide, including in many of our districts. Prematurely repealing these credits would jeopardize the private investments and economic benefits they are delivering. As Republicans, we should take a thoughtful approach and seek to refine and improve the IRA's energy provisions in a way that promotes market certainty and continues to incentivize a comprehensive energy strategy.

As part of this strategy, I want to highlight five tax credits from the Inflation Reduction Act that are already driving transformative investments in American energy:

- **The Clean Fuel Production Credit (45Z).** This credit is critical for agricultural states like Iowa. It is accelerating the deployment of low-carbon transportation fuels, including sustainable aviation fuel produced from Iowa-grown feedstocks. In 2021, Iowa was the top producer of ethanol in the U.S., generating over 4.4 billion gallons. By creating new markets for our farmers and biofuel producers, 45Z can help Iowa build on this leadership while significantly reducing transportation emissions. Maintaining this market is especially important for producers and farmers who have already made important investments and planting decisions.
- **The Advanced Manufacturing Production Credit (45X).** This credit is powering a resurgence in domestic clean energy manufacturing, including in Republican districts. From wind turbine

blades to solar panels to battery components, 45X is helping the U.S. build resilient supply chains and reduce dependence on foreign imports from countries like China.

- **The Carbon Oxide Sequestration Credit (45Q).** This credit is driving innovation in carbon capture, a technology that enjoys broad bipartisan support because of its potential to reduce emissions while supporting American energy production. Supplementing the manufacturing boom by storing industrial emissions, keeping America beautiful. Iowa has been at the forefront of carbon capture deployment, with projects like the ADM facility in Decatur sequestering over 1 million tons of CO<sub>2</sub> annually. Extending 45Q can build on this progress and cement U.S. leadership in this essential technology.
- **45Y and 48E Clean Electricity Production and Investment credits.** The IRA brought in a wave of new investment by expanding the scope of these long-standing credits to make them tech-neutral, designed to evolve with the energy industry over the long term. These credits helped Iowa become the first state to generate 40% of its electricity from wind power in 2019, and they will continue to incentivize investments across all energy sectors moving forward.

These IRA provisions are delivering real benefits for American energy. I believe any changes should be targeted and balanced, not sweeping repeals that would jeopardize our economic and security gains. Prematurely repealing these critical tax incentives would disrupt ongoing projects, some of which have already broken ground. The potential backlash and uncertainty for the business community could result in investments fleeing to our neighbors and rivals who continue to support these industries.

By maintaining smart incentives, turbocharging innovation, and harnessing the power of markets, we can secure America's energy future while creating lasting jobs and opportunities. Iowa proves this approach works: we've become the nation's leader in wind energy generation while maintaining electricity prices among the lowest in the country. Despite not producing crude oil, Iowa ranks among the top 10 states in total energy consumption per capita, showing how strategic energy investments can support a thriving industrial economy. Our success didn't happen by accident – it came from sustained policy support that allowed us to capitalize on our natural advantages. Repealing these credits without regard for investments already made would be a setback to clean energy and economic growth. I look forward to working with my colleagues to shape an energy agenda that puts America first.

Thank you, and I yield back.