

Kansas Independent Oil & Gas Association

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Testimony to Kansas House Energy, Utilities & Telecommunications Committee

Senate Concurrent Resolution 1603

A CONCURRENT RESOLUTION urging the President of the United States to consider current geopolitical tensions and support policies to ensure America's long-term energy affordability, security, leadership and progress.

Edward P. Cross, President Kansas Independent Oil & Gas Association

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Good morning Chair Delperdang, Vice Chair Turner, Ranking Minority Ohaebosim and members of the committee. I am Edward Cross, President of the Kansas Independent Oil & Gas Association (KIOGA). KIOGA represents thousands of independent oil and natural gas explorers and producers, as well as allied service and supply companies. With nearly 3,000 members across the entire state, KIOGA is the lead state and national advocate for the Kansas independent oil and natural gas industry. I submit this testimony expressing our support for Senate Concurrent Resolution 1603 (SCR 1603) and urge the Committee to pass SCR 1603.

We all felt the effects of rising energy prices and inflation rates not seen in 40 years. The Russian invasion of Ukraine only adds to our energy concerns and heightens the importance of the role of U.S. Energy policy.

European countries realized their fears about energy access and affordability with the breakout of conflict in Ukraine. Broadly similar to green new deal style policies, the European Union (EU) has been cutting off their own fossil fuel production and usage without a viable alternative to meet that baseline demand. With their domestic sources waning, Russia stepped in to satisfy that demand. The Ukraine war diminished Russian supply and renewable sources have not been able to meet demand. As a result, energy prices increased sharply across the continent.

The lesson learned from Europe is that renewable energy sources are not ready to meet national energy demand. Over-reliance on renewable energy and Russian gas has been a recipe for disaster for the EU. President Biden should heed this as a warning of what his energy agenda will bring if he continues his war on American oil and gas.

Americans had fairly stable energy prices in 2017-2019, and fairly low ones, in part due to the tremendous increase in energy production in the United States – both oil and natural gas. In 2018, the U.S. produced 95% of its domestic energy requirements, the largest share since 1967. Gas prices, the marker Americans watch almost to the exclusion of everything else, averaged \$2.60/gal in 2019, 4% lower than in 2018.

Here's a key point: when a country becomes the leading producer of oil and natural gas and has reduced CO₂ emissions by 70% in 10 years, it is clearly doing many things right.

Over the last two years we've seen national policies aimed at restricting American production that have resulted in energy prices escalating. First, a pipeline bringing oil from Canada to the U.S. was quickly cancelled. Then, new leasing for energy development on federal acreage was stopped. Added to that was a batch of proposed punitive, unnecessary, and burdensome regulations on oil and gas operations. These actions have severely hampered American oil and gas companies' ability to adequately supply the market and have put American Energy Independence in danger. These are short-sighted energy policies that result in higher energy costs that disproportionately harm low-income groups.

When policy signals prevent energy leadership here at home, there are going to be consequences. U.S. energy policies that restrict domestic production force our country to seek relief from foreign suppliers of energy, undermining our energy independence.

The problem is that when certain foreign governments control your energy, they have the power to use it for their own purposes, not yours. America should not be in the position of asking for foreign energy supplies, especially when we have abundant resources produced to standards that are among the highest in the world, right here at home.

Instead, we should be leading. Energy should be a bipartisan priority. Nothing is more essential to economic progress than reliable, affordable, and abundant energy. To lose that advantage is not in anybody's best interest.

It is time for President Biden to recognize the strategic importance of American energy production. He should abandon his quixotic energy strategy immediately. Senseless pandering to the green left has helped foster the very conditions that gave Vladimir Putin confidence to initiate his war on Ukraine.

As a country, do we really want to stay on the path of restricting production, denying permits, closing off access and returning to the days of dependence on foreign sources? This is short-sighted energy policy, and we must consider those it's impacting.

While claiming to fight to bring energy prices down, President Biden has made the wrong move at every turn. Nothing but a complete reversal of his approach is necessary. This is the signal that President Biden needs to send to the world to stop the decline of American energy security. Certain times require a re-evaluation of priorities and a reorganization of values. The global crisis that Putin has set in motion is such a moment.

President Biden should embrace oil and gas exploration. If the U.S. is energy independent, then we don't beg people in the Middle East or Russia to help us and Putin would not have the financial reserves to subsidize an invasion. America was energy independent just a few years ago. Biden should do everything he can to make us energy independent again.

President Biden and all federal and state policymakers should prioritize advancing American energy leadership with policies that encourage development of responsibly produced energy here at home. These policies should recognize the volatile world we live in and the long-term impacts of returning to the days of foreign energy dependency.

We urge the committee to pass SCR 1603 and send a message to President Biden urging him to support policies to ensure America's long-term energy affordability, security, leadership, and progress.