$\frac{C E N T E R}{FORWARD}$ Energy Infrastructure in America

Center Forward Report

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Overview

Energy infrastructure is vital to the American economy. It ensures the lights stay on and that homes and businesses stay heated. A strong energy infrastructure also aids in promoting growth among all sectors of the economy and helps U.S. businesses and consumers. The development of modern infrastructure also can help the United States more affordably meet environmental goals, especially as it relates to climate change.

Prior to the November 2020 election, Center Forward fielded a nationwide survey to understand the public's view on energy infrastructure. This survey showed the American public believes there is a need for additional energy infrastructure. Specifically, 80% of Americans think that our country's energy needs will get bigger in the coming decades. Additionally, future development of energy infrastructure requires a clear commitment to addressing climate change, ensuring high wages for workers, and creating opportunities for Native American communities whose land and homes are impacted.

The incoming Biden administration has introduced a <u>Build Back Better</u> Plan to confront a pandemic, an economic crisis, calls for racial justice, and climate change. The plan incorporates environmental and climate change policies into every part of the recovery plan in order to "rebuild a strong, inclusive middle class and build an economy for the future." In the context of the survey results and the Build Back Better plan, future energy infrastructure development must meet public demands to continue to prioritize renewable energy sources and acknowledge the importance of providing opportunities to skilled workers and indigenous communities.

What is Energy Infrastructure?

In the United States, energy infrastructure includes a variety of facilities, equipment, and systems. The most common energy infrastructure includes:

- Oil and natural gas pipelines and transmission lines
- Water, sewer, and natural gas pipelines
- Power plants (including renewable energy facilities)
- Electric transmission lines, poles, and power lines

Currently, Americans use most of the energy in four different sectors:

- 1. Residential sector: homes and apartments
- 2. Commercial sector: offices, malls, stores, schools, hospitals, hotels, warehouses, restaurants, and places of worship
- 3. Industrial sector: facilities and equipment used for manufacturing, agriculture, mining, and construction
- 4. Transportation sector: cars, trucks, buses, motorcycles, aircraft, and ships.

Center Forward

Center Forward brings together members of Congress, not-for profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

For more information, please visit <u>www.center-forward.org</u>

Key Facts

- U.S. primary energy consumption:
 - 37% petroleum
 - 32% natural gas
 - 11% renewable energy
 - Renewable energy includes:
 - Wood
 - Biofuels
 - Wind
 - Hydroelectric
 - Solar
 - 11% coal
 - 8% nuclear power
- The energy infrastructure sectors employ 6.4 million U.S. workers and represented 14% of the new jobs created in the U.S. in 2016.

The Private Sector Funds a Majority of U.S. Energy Infrastructure

America's energy infrastructure is largely privately owned, operated, and financed. However, there is a large regulatory role for the government at both the state and federal level. For example, infrastructure that crosses the United States border into Canada or Mexico requires federal oversight and approval. On the state level, state agencies typically handle approvals for "intrastate" power lines and pipelines that are located entirely within a single state. Looking to the future, many have proposed that Congress and the Executive Branch "accelerate investments in energy infrastructure by updating regulations, establishing strong investment incentives and streamlining permitting processes."

The Future of America's Energy Infrastructure

Based on the survey results, Americans believe it is critical to have a modern, flexible, and secure network of energy infrastructure that accounts for future energy demands that include: electric power transmission and distribution lines, oil and natural gas pipelines, and fuel storage facilities. Additionally, many Americans believe that U.S. energy needs will increase in the upcoming decades. While they believe that renewables are going to be important to meet America's energy needs, they do acknowledge that gas, oil, and nuclear energy will have a place in America's energy future. Specifically, this includes gradually phasing out of fossil fuels and beginning to prioritize renewable energy sources such as wind and solar infrastructure. Americans also believe that infrastructure developers must expand the availability of lower and zero carbon power sources.

Additionally, the public is much more likely to support traditional energy infrastructure such as an oil pipeline if it is developed alongside renewable power projects. Therefore, experts suggest that pipeline developers should strongly consider pairing their investments with new renewable energy capacity both to offset emissions and to play a meaningful role in building out America's cleaner energy infrastructure. 78% of Democratic voters are more likely to support oil pipeline projects if they commit to using steel manufactured in the U.S. and use wind and solar power to meet the energy needs of the pipeline.

The survey also shows that developers should take a more deliberate approach with respect to paying workers and making inclusive investments. For example, approximately three-fourths of Democratic voters would be more likely to support an oil pipeline if the workers were promised a higher-than-average wage. Voters also support offering Native American communities partial ownership to generate long-term economic opportunities for tribal members.

Looking Ahead

America's energy sector is undergoing a dramatic transformation. Cleaner energy technologies including solar and wind are expanding rapidly and are now cost competitive with traditional fuels such as coal and even natural gas in some markets. Meanwhile, investors and the general public are increasingly demanding commitments to sustainability and lower emissions. For the foreseeable future, there will still be significant demand for energy sources including oil and natural gas. The survey suggests that meeting today's energy demand is not enough, it is vital to look towards the future. Energy infrastructure developers must be part of a broader and inclusive nationwide effort that moves the United States closer to net-zero emissions and rebuilds a strong middle class.

Links to Other Resources

- ASCE Infrastructure Report Card
- Bipartisan Policy Center <u>Jason Grumet's Statement on Infrastructure Development Opportunities to Drive Economic</u>
 <u>Recovery and Resiliency</u>
- Business Roundtable <u>Energy Infrastructure</u>

- ConocoPhillips <u>Infrastructure</u>
- EIA <u>U.S. Energy Facts Explained</u>
- EIA <u>Use of Energy Explained</u>
- Department of Energy <u>Energy Sources</u>
- Pew Research Center <u>Renewable energy is growing fast in the U.S.</u>, but fossil fuels still dominate