

March 24, 2023

The Honorable Kevin McCarthy Speaker U.S. House of Representatives Washington, D.C. 20510

Dear Speaker McCarthy and Leader Jeffries:

I am writing on behalf of the Portland Cement Association (PCA)¹ in support of the Lower Energy Costs Act (LECA, H.R. 1). We appreciate the opportunity to share our views on this important legislation that, if enacted, will improve energy supplies and the infrastructure necessary for their transmission. The result of which will be greater access to and lower cost of energy for American businesses and consumers.

Portland cement is the fundamental ingredient in concrete. Cement and concrete products are used to build highways, bridges, runways, water & sewage pipes, high-rise buildings, dams, homes, floors, sidewalks, and driveways. The Portland Cement Association promotes safety, sustainability, and innovation in all aspects of construction, fosters continuous improvement in cement manufacturing and distribution, and promotes economic growth and sound infrastructure investment. Our members represent the majority of cement production capacity in the United States and serve nearly every congressional district.

The cement industry is decreasing the carbon intensity of its operations and products, is fully committed to decarbonization, and remains focused on improving the energy efficiency of cement plants. For us to become more energy efficient and achieve our decarbonization goals, it will require greater access to reliable and affordable energy and major improvements to the numerous permitting hurdles our members face. The LECA is a significant step forward in providing greater transparency and accountability in the permitting of our nation's energy infrastructure. PCA is particularly supportive of the provisions related to improving the National Environmental Policy Act.

Additionally, the cement industry desires increased access to natural gas nationwide, but its availability remains elusive. Natural gas has half the CO2 emissions (53.06 kg/mm BTU) compared to those of coal (103.69 kg/mm BTU) or petroleum coke (102.41 kg/mm BTU). LECA's provisions facilitating production and transmission, if enacted, would increase the domestic energy supply and likely reduce costs for the cement industry.

While fully supportive of LECA, we urge Congress to pursue tackling other permitting issues that stand in the way of industry decarbonizing. They include:

- Modernizing the New Source Review program so that manufacturers may install carbon capture equipment and other technologies without needless delays and impediments;
- Improving the Resource Conservation and Recovery Act so it permits manufacturers to recover energy from post-industrial and post-consumer materials.

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The Honorable Hakeem Jeffries Democratic Leader U.S. House of Representatives Washington, D.C. 20510

¹ PCA conducts market development, engineering, research, education, technical assistance, and public affairs programs on behalf of its member companies. Our mission focuses on improving and expanding the quality and uses of cement and concrete, raising the quality of construction, and contributing to a better environment.

Further, we expect the demand for cement to increase as the economic recovery continues and states and communities implement infrastructure projects funded mainly by the investments made through the Bipartisan Infrastructure Law. For example, based on PCA's Market Intelligence forecasts, the investments made by the Infrastructure Investment and Jobs Act will result in incremental demand of 46 million metric tons over the course of the bill. Increasing energy supplies and modernizing federal permitting regulations for infrastructure will assist cement manufacturers as they balance sustainability and meeting market demands and would be helpful to Congress's broader economic recovery and environmental policy goals.

We encourage Congress to use this opportunity to consider these federal permitting reforms and investments to ensure the full deployment of carbon capture technologies across the economy. Such action is necessary to enable the industry to reach its goal of carbon neutrality across the cement and concrete value chain. If you have any further questions, please contact me at <u>soneill@cement.org</u> or (202)719-1974.

Sincerely,

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Sean O'Neill Senior Vice President, Government Affairs Portland Cement Association