

## **Interview with Rick Perry, July 7, 2017**

**Washington Examiner:** What is the scope of your job as you see it?

**Perry:** Well, it's an interesting agency in the sense of part of what they do, the general public only has a passing knowledge of. All the nuclear weapon arsenal is under the purview of the Department of Energy. So, making sure that it's safe, secure. Making sure that it works. God forbid that we ever have to use it, but if we do, we want to know it's going to work.

**Washington Examiner:** How do you ensure that it is functional?

**Perry:** With the prohibition against underground testing, that means that super-computing becomes very important in running the models with our computers. One of the things I will discuss today with the employees is our goals — modernizing the weapons arsenal and making sure that we modernize it appropriately.

Then the cleanup of the Cold War, the legacy of the Cold War. There are a lot of places around the country where we did work — Hanford, up in the Pacific Northwest, for instance, Oak Ridge, Rocky Flats in Colorado, Paducah in Kentucky. It's going to be a long process in some of the places. That's two-thirds of our budget there. The 17 national labs, one of which we are in now, the National Energy Technology Lab. It's a unique one in the sense of it's the only one that's actually government-run and government-operated. The other ones are what we call MNO, where there's a contractor that comes in and operates it. Those other 16 labs are run by private-sector organizations. And it is just mind-boggling work that they do. Everything from finding the next safe, thoughtful way to use a type of energy. For instance, right here in this one in Pittsburgh, how do you use coal in a way that will continue to support the coal industry, support the jobs and the livelihood and the way of life that coal has been involved with?

So, those are the types of things that this facility, and the one down in Morgantown, W.Va., that we are working together to come up with the new technologies to use coal, fossil fuels, in a thoughtful way.

**Washington Examiner:** And what about natural gas?

**Perry:** We're sitting on one of the most prolific natural gas fields in the world, right under our feet. How to take that resource, add value to it. One of the conversations we had this morning at the West Virginia University, with the private sector, with DOE

employees, with the governor's office in West Virginia, was how to create an energy hub in this region.

**Washington Examiner:** Shell is building a cracker plant not far from here. Is that part of the equation of creating an energy hub in this region? Explain what a cracker plant is, because when people who are not from an energy state hear "cracker plants," they think it's a plant that makes saltines.

**Perry:** (laughing) Well, this is cracking those molecules so that you can have different byproducts — ethane, ethylene — that go into the petrochemical industry, and yes, that is adding value. That is creating a hub. If you just took that gas and burned it at a power plant, it's sort of like cooking your breakfast using \$100 bills. It will cook your breakfast, but it's a pretty expensive way to do it.

But if you take that gas, process it, crack it, send different streams different ways to be used in a lot of valued-added processing, that can happen right here in this region. So, one job becomes 10 jobs. And those are high-value jobs.

The other side of what it does, President Trump's vision of making America dominant in the energy field — this is exactly what he's talking about. He doesn't want us just to be independent. He wants us to be dominant. That means that our allies, wherever they may be in the world, know that there will be a constant stream of these products that they need to develop their countries economically.

All of our allies are very interested in our being able to develop different energy sources, LNG in particular. I mean, this is a game changer.

Right here in Pittsburgh, you're sitting on top of this extraordinary resource that can be — and will be, from my perspective — a renaissance in America economically, bringing America to a place that 15 years ago, there were a lot of people that said we're done from an energy standpoint.

I'm always intrigued when someone says, 'The science is settled.' You know, whether they're talking about the issue of global warming, or whether it's the issue of our energy resources, maybe the science isn't settled. It may be settled in somebody's mind, but it hasn't been settled in a lot of innovators' minds, and that's the reason that I hold out hope that, you know, in some national lab, maybe in a university lab, maybe in a private-sector lab — I don't know — that there's technology that is going to allow us to use our coal, for instance, in an even more efficient and environmentally sensitive way than we are today.

I was just outside of Houston at a petro plant, and it's carbon capture, utilization, sequestration. There was a retrofit of an old coal burning plant. They're capturing the emissions, the CO<sub>2</sub> emissions, compressing them and then shipping them, via pipeline, 80 miles to an oil field outside of Victoria, Texas, and it's then injected into the ground to help with the enhanced oil recovery.

I mean, the oil field is going from like 500 barrels a day to 1,500 barrels a day, because they get the pressure to push the oil up. The plant takes over 90 percent of all the CO<sub>2</sub>. That's not to mention what these national labs have found.

Remember acid rain?

Well, the national energy technology laboratory right here was very involved with that. They're the ones that came up with the ways to put the scrubbers, the technology that went into these plants.

Now, acid rain is now a thing of the past.

That's my point with this whole dialogue; the technology that comes often out of a DOE national lab changes the world.

Hydraulic fracturing, directional drilling, acid rain — the list goes on and on of technologies that they've been involved with, and will continue to in the future, and that's the most fascinating thing about the agency.

**Washington Examiner:** Has coal really become cleaner?

**Perry:** It's interesting you would say that. Walking through the plant in Longview — it's a highly efficient, low-emission plant — and I'm in the middle of a plant that is using tons of coal to create electrical power. It's pulverizing that coal into like talcum powder. I literally wiped my hand across the first floor of this plant, and it looks like my hand looks right now wiping it across this tabletop. Totally clean. That is the innovation that we've come to expect in America. Sometimes, you know, we let political interest drive us more than we do innovation, technology, skepticism, which is at the core of what science is all about. I'm really proud to be a part of an administration that's not afraid to be skeptical, not afraid to ask questions, not afraid to challenge our national labs to come up with a solution that vex us, and we got a pretty good record of finding solutions to challenges that face the world.

**Washington Examiner:** Where has your job taken you so far in the past four months?

**Perry:** There's a substantial amount of required travel internationally. G7 was in Rome. There was a trip to Japan. There was a clean energy ministerial in China that we actually hosted, or one of the hosts, I should say. We'll be going to some of the eastern European countries later. There is an IEA, the International Energy Agency, that has a meeting that we're hosting. I want to visit as many of the labs that I can, Idaho National Lab, Los Alamos, Oakridge, now, obviously the National Energy Technology Lab, Morgantown, and Pittsburgh. Four down and what is that, 13?, 13 to go. It'll take a while to see all the labs, but our intention is to try to visit all of them. It's important to see the work they're doing.

I also visited the waste isolation pilot project outside of Carlsbad, N.M., and then a trip to Yucca Mountain. That was the first trip that we took. DOE is a pretty broad, long agency, if you will, in a lot of different places. There's going to be a lot of travel involved, but that's OK. It's part of the process.

**Washington Examiner:** Did you get any pushback on the climate accord and the U.S. backing out of it?

**Perry:** Well, the pushing back side of it always comes ... when somebody doesn't agree with your political position. My interest has always been to find as close to the truth as we can come. I'm not sure this is ever going to be an absolute black and/or white issue. It's science and there's going to be people on both sides of this because I'm not sure that there is definitive, absolute proof, that the climate is changing and man is 100 percent the cause of it, and here's how much it's going to cost to correct it or alleviate it or stop it. With all that said, I hope we can have an open, thoughtful conversation with people on both sides of this as we go forward and agree that we're making great progress. America has reduced its emissions more than any country out there from the standpoint of a percentage.

Why is it? We're continuing to put good innovative ideas to work, just like yesterday in West Virginia at the high efficiency, low-emission coal plant. That's the type of technology I'd like to see deployed into China and India and other areas of the U.S. and around the world to help use the natural resources that we abundantly have in a clean and thoughtful way and produce jobs and power. I think — I don't think, I know — you can have both economic growth and address your environment in a positive way, because we saw that happen in Texas while I was governor.

I remind people of that record while we were there — record job growth, record wealth creation, and we saw seven million people added to the population rolls while I was governor. That's a lot of non-point source pollution because a lot of those people bought pickup trucks and cars. That was a huge increase in manufacturing. We have the

largest petrochemical manufacturing area in the U.S. there. All of that conventional wisdom would say you affected your environment in a negative way, but we didn't. We saw nitrogen oxide levels down by 65-plus percent. We saw [sulfur dioxide] levels down by 55-plus percent. We saw carbon dioxide levels down by almost 20 percent, so you can have economic growth and affect your environment in a positive way. It's done with incentives. It's done with technology.

We are doing it in America, so I hope those that were 'Paris Accord or bust' recognize that America doesn't have to have some accord that it's signed onto, quite frankly, one that costs our country a lot of money and I, along with the president, didn't see the real return on the investment [on those] billions. That's not to say that the president doesn't sit down and renegotiate a position with the countries that were in the Paris Accord. He may do that. I'm more interested in the results of having lower emissions and creating jobs.

**Washington Examiner:** Have you had a chance to have conversations with any of the miners in West Virginia or Kentucky or in Pennsylvania?

**Perry:** I did, both in Pennsylvania and in West Virginia. Five years ago, these were people who were either losing hope or who had lost hope that the coal industry was ever going to be again a viable part of the American energy portfolio. Today, watching what President Trump has done, that he's lived up to his campaign promises, they opened a new coal plant in Pennsylvania. He has talked to the president of Ukraine, President Poroshenko, about selling U.S. coal. He talked to [Indian] Prime Minister [Narendra] Modi about American coal, American LNG — liquefied natural gas — being sold to that country. Japan is in the market for LNG. I would suspect there were conversations in Poland about American energy resources, both coal and LNG. You've got an administration and a Cabinet, a secretary of energy, that is very pro-coal, pro-American energy.

**Washington Examiner:** You are not a conventional secretary of energy in the tradition your predecessors, Ernest Moniz, Steven Chu and Sam Bodman, who hailed from elite doctorate backgrounds. How does your lack of pedigree help or hurt you?

**Perry:** Well, most of the Cabinet that President Trump brought in is very nontraditional — Wilber Ross, Rex Tillerson, amazingly capable individuals. There are die-hard people who are not Washingtonian. That's not to say that someone that has a Washington background doesn't perform at that level in those positions. But President Trump, being an outsider business individual, he is very comfortable with people like me, like those that I've mentioned. He's brought very nontraditional people into places. [Defense Secretary Jim] Mattis, a great example of it, and we've not had, with the exception of

one year in 1950 with George Marshall, a military person as the head of the Department of Defense.

I happen to think that Donald Trump is about shaking up, if you will, going outside the norms of what we've historically seen. I think he's going to be very successful. He's already turned point on a deer. I'm sure that's made some people very uncomfortable. But Americans, by and large, like the idea of pushing the power out of Washington, D.C., back to the states, back to the local level in a lot of ways, and asking people to come onboard who have been very successful in, well, I should say, been very successful outside of Washington, D.C.