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Innovative Energy and Infrastructure Investments

Eric J. Holcomb
Governor of Indiana
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Remarks as prepared for delivery

Good morning! It's good to be with you all.

And thank you, Amy, for that introduction. I also want to thank The Climate Registry, the Georgetown University Climate Center, and the U.S. Green Building Council for offering me the privilege of speaking here today.

But am I in the right place?

After all, I'm the governor of Indiana, a relatively small state in the heart of the American Heartland that borders on the southern shore of Lake Michigan, and where we enjoy the highest concentration of manufacturing per capita in America.

Translation: we make "and" ship lots of stuff!

As in, we're the number-one steel-producing state in the U.S., with five different auto OEMs. We build jet engines at Rolls-Royce and GE Aviation, fuselages at Saab, transmissions at Allison, and produce 80 percent of RVs made in North America!

We grow a lot of corn and soybeans, chickens, ducks, turkeys, and pigs: natural sources of protein and naturally sources of emissions, too.

But, perhaps, we're best known around the world for an annual car race, in which gasoline-powered vehicles hit over 230 miles per hour around an oval track for 500 miles. Which by the way, you're all invited to join our 300,000 closest friends who attend on race day!

Now, I asked earlier if "I was in the right place," because I'm known in some circles as a conservative Republican, and perhaps you've been told that my party does not believe the climate changes, from year to year, century to century, or even millennium to millennium.

I expect that you've been told quite a few things about us Republicans. If so, please see me afterwards!

But until then, if we may, let's put party affiliation aside for a moment, and let me speak today as a governor who does not hold sway over large government subsidies or regulatory bureaucracies, let alone a foreign-policy apparatus, but one who considers it very important to explain to you why *I know* I am in the *right* place!

Indeed, I've been looking forward to this opportunity at COP27 with clear eyes, determination, and a sunny disposition, since before COVID-19 first gripped the world's attention and resources, for that matter.

Because, first of all, I view it as an opportunity for me to learn, and that's been happening all week.

Secondly, it's also an opportunity for me to share – maybe even surprise you, I hope – about all Indiana is doing to not only contribute, but actually *lead* in the great energy transition we all find ourselves living in.

And, finally, it's an opportunity for me to briefly share some key implications of the "Indiana story" for governance and decision making – especially when it comes to the future of mobility, manufacturing, construction and agbiosciences, and of course, the infrastructure that supports it all.

So, let me start with what I expect will be some surprises.

Yes, Indiana accounts for more than a fourth of all the steel produced in the United States.

Good for us, since the last time I checked, you *cannot* build new, or rebuild crumbling roads and bridges and massive buildings, in rich or poor countries – or for that matter – you can't build most electric vehicles, wind turbines, or solar arrays without steel!

But we're now producing this steel more and more sustainably.

One of our leading Indiana producers, Cleveland-Cliffs, is replacing pulverized coal with natural gas – making its blast furnaces the most efficient in the world, and producing its steel with 70 percent lower carbon emissions than imported steel.

And, yes, Indiana still uses coal in its mix to produce its energy, enabling our economy to grow and keep the home lights and refrigerators on.

But, by adding other sources, we've doubled our options in just barely the last decade.

In 2010, about 83 percent of our energy came from coal. Now, that percentage is hovering just below 50, all due to more additional affordable options.

Imagine if every nation in the world could proportionally say the same.

Certainly, our use of natural gas has surged to help make this happen – cost will always be a powerful driver in consumer demand – but our development in other sources, such as wind and solar energy, is filling the gap, too.

In fact – brace yourselves – Indiana ranks fourth in clean energy capacity under development among all 50 states in America.

We're behind only California and Texas – much larger states and populations – in solar production, with 6,000 megawatts in the works, including a 13,000-acre Doral Energy solar farm that will become the single largest in the country. It's called the *Mammoth* Solar Project, because, yes, we know how to name things, too!

And, finally, yes, as I alluded to, Indiana is a state that proudly celebrates our agricultural prowess, and in turn, the world depends on our products to feed their citizens as well.

That's why we're forward-looking leaders throughout the agbioscience sector as well. Every day is "Ag Day" in Indiana.

We're America's sixth largest producer of clean-burning ethanol, and we're figuring out how to use bio-digesters and bio-mass to meet more of our farmers' energy needs.

Corteva is not only deploying solutions to improve crop yields, but also learning from the customers – the actual farmer – and helping them connect with new markets.

Or another example, one Indiana operation called Fair Oaks Farms is among our most sustainable *and* most profitable agribusinesses – both at the same time – that supplies high protein milk to populations in sometimes desperate need of it.

Meanwhile, another one of the global companies proudly headquartered in Indiana, Elanco – represented here at COP27 – is pioneering feed and feed additives that substantially cut methane emissions from animals. You heard that right: cuts methane emissions.

And another example, Fulcrum, is converting municipal solid waste into aviation fuel, just to name a few.

Indeed, Indiana may be a subnational player in the parlance of global conferences, but I will stack our record in the clean energy transition up against any place in the world with similar footprints in manufacturing, transportation, construction and agricultural intensity.

Is there a secret?

I don't think so, since the key to what we're doing is quite familiar to you all as well.

The key is innovation – always *innovation* – doing things differently to produce better results.

However, what may distinguish Indiana is the way we are meeting our goals through *action* and *transparency*.

We're not walking away from manufacturing and agriculture to somehow change the focus of our economy.

Far from giving up on those necessities, we're determined to deliver *more* steel and other essential components, *more* advanced manufactured goods, and certainly *more* protein and healthy calories for the people in this world who desperately need them.

Instead of walking away from these essential parts of our state economy and global realities, we believe – and the early results are more than encouraging – that we can deliver them with cleaner energy, lower emissions, and therefore much less impact on our environment.

If that mindset was a secret, well, then, it would be the worst kept secret in modern history.

It's the mindset demonstrated by Cleveland-Cliffs. They're not giving up on steel; instead, they're producing steel more sustainably than it's ever been produced before.

It's the mindset by a strong example of local, national and international cooperation for emission reduction in Mitchell, Indiana. A German-headquartered company, Heidelberg Cement, is working with its U.S. subsidiary, Lehigh Hansen, to capture 95 percent of the local cement plant's CO2 emissions.

The study to evaluate the feasibility of this project was through federal Department of Energy funding. All of this is being done in the context of upgrades to the facility that will triple its current capacity to approximately 2.6 million tons of cement. These partnerships are making manufacturing not only cleaner, but hands down more productive.

It's the mindset demonstrated by Elanco. They're not giving up on cows; instead, they're making cows and other ruminant animals cleaner than anyone imagined possible, from just a few years ago.

And in regard to our infrastructure, broadly defined, it's *our* state government mindset, because it's the key to scaling up innovation and therefore solutions.

Let me offer a few quick examples.

In Indiana, we need more energy than ever. Our population is growing.

And *more* sources, more options – like wind and solar – will play a part in closing the gap, as I've said.

However, we will not rest on those options alone.

Another one of our global companies, Cummins, recently unveiled zero-emissions technology for truck transportation based on hydrogen fuel-cell technology.

At the same time – and here's where infrastructure really comes in – Indiana is combining public and private investment to turn what's now the country's largest inland oil refinery, operated by BP in northwest Indiana, into a hydrogen-distribution hub as well.

And the Fighting Irish at Notre Dame have committed to carbon neutrality by 2050 via hydro. ND Hydro, along the St. Joseph River, is a 2.5-megawatt facility that generates power for the university.

As a source of clean, renewable energy, the state-of-the-art facility will generate an estimated 7 percent of the electricity for the campus and offset 9,700 tons of carbon dioxide annually, benefiting both the university and surrounding community.

Nuclear energy will have a major role to play, too – and I believe for some – a must.

Fortunately, in Indiana, we're home to one of the world's greatest patent-generating universities, Purdue University, and one of our most committed energy companies, Duke, who are both partnering to develop small modular reactors that will meet the power needs of the university community at first, before feeding the state's larger power-supply needs.

Along with Duke, our other electric utility companies, including AES, AEP, NIPSCO, and CenterPoint, have all set 2030-2050 net zero goals.

In the same way, scaling up the electric vehicles sector is all about *innovation* and *infrastructure* emerging in tandem.

In Indiana, we've been fortunate to attract private investment from the likes of Samsung-SDI and Stellantis, who are building a next-generation EV battery-making facility in the state – their first manufacturing venture in the U.S. – and GM, Toyota, Honda, and Subaru continue to lean into a hybrid and electric future and net-zero footprints.

Those private-sector players will join an Electric Vehicle Product Commission that we formed to improve the education and workforce pathways.

Its charter is to boost R&D, competency development, and skills training that the entire country needs for EVs to truly take off.

I'm excited to see some Indiana University students here throughout this week in Sharm El-Sheikh, who are proving that passion and purpose are going to be critically important in the workforce of the future when it comes to the electrification of mobility.

And when EVs become a market driven norm – as I'm convinced they ultimately will – Indiana will be ready, because we're also taking physical infrastructure seriously.

Helped by funds from Washington, we'll be investing $100 million over the next five years to build a fast-charging network, covering all our major interstate highways.

And further out on the cutting edge, thanks once again to some engineers and pioneers from Purdue, we're developing the world's first highway test-bed for wireless charging, using specialized concrete.

Please remember that one!

Yes, we will be testing whether concrete can charge passing trucks – and don't bet against a Purdue Boilermaker!

In conclusion here, let me take a moment to sum up some governance lessons from our Indiana story.

First, our approach to the energy transition can be summed up as "*all of the above*." We like more shots on goal, no matter the color: green, blue, turquoise, or pink.

We're not placing exclusive bets on solar and wind, when nuclear and hydrogen may be a big part of the solution.

Innovation has a way of surprising people!

Second, we're doing almost all our capital investment as public-private collaborations.

As I like to think of it: public investment by governments can be a highly effective fertilizer, but private investment is the soil in which lasting developments take hold.

Third, we're doing everything that we can as a state government to improve the climate for innovation, and to shepherd a clean, reliable, affordable, and sustainable transition.

If you'll forgive one more analogy to something we all care a lot about: The year-to-year performance of a particular sector depends on the weather – short-term factors mainly beyond the influence of policymakers.

But their long-term success depends a lot on the larger climate for business and research, which includes incentives, cost, and a reasonable, rational regulatory burden.

Local policies can both encourage and discourage *innovation* and *alternatives*.

But even modest investments like planting a million new trees in a five-year period – in a state like Indiana that's still 83 percent farm or forest terrain – makes a difference, the natural scrubbers that they are.

Finally, and entirely consistent with this overall discussion, we're doing what we must throughout Indiana's state government to create and adapt the *infrastructure* that will allow for the clean transition to continue to scale up.

As far as I'm concerned, that's the ultimate demonstration of whether leaders are walking the walk, or just talking the talk; the difference between rhetoric and results; the difference between setting goals and constantly shifting goals.

So, that's my subnational story, and I'm sticking to it!

If you want to visit and consider joining our Indiana clusters of innovation and manufacturing-for-the-future environment, please do.

You will be my guest and we will greet you with our famous *Hoosier Hospitality*!

Far from being irrelevant to the world's energy transition, Indiana is at the heart of it all.

My vision – Indiana's vision – is a world in which economies continue to grow, more things are manufactured, more people who need to consume more protein can.

And, yes, we continue to enjoy automobile races such as those at the Indianapolis Motor Speedway, where Mr. Penske now has electric semis delivering recycled Bridgestone tires to the drivers.

Indeed, my vision is a world where no nation is held hostage to the whims of one source, or man, or supply chain pain disruptions; where options prevail and empower, and can be dialed up or down accordingly.

Ladies and gentlemen, we don't need to constrain humanity to save it.

Just the opposite: we need to unleash our collaboration, creativity, and invention – and you have my pledge that's exactly what Indiana will continue to do.

Thank you so much.

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