

THE CASE FOR A COMPREHENSIVE ENERGY POLICY

by Patricia Mixon



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A broad-based energy and climate bill can help us toward energy independence in a fiscally responsible way.

America needs a new, comprehensive energy policy. Our current dependence on imported oil undermines our economic well-being and national security. We spend hundreds of billions of dollars every year to purchase oil from countries that in many cases do not share our values, leaving us vulnerable to regional instability and economic shocks. We import a product that is relatively inefficient in terms of its energy production per unit and when burned pollutes our air, water, and land. We use oil to power cars, meaning we all walk a lot less, get fatter and sicker, and spend more at the doctor's office. Our car and truck-based culture has propelled a land grab away from agriculture and natural lands that offer numerous benefits, not the least of which is the sequestration or removal of pollution. Finally, overreliance on oil and coal have dramatically increased the amount of carbon dioxide and other greenhouse gases in our atmosphere.

The U.S. bears the flags of capitalism and democracy. As the events of 2008 show, capitalism depends on transparency as well as stability. Transparency means a robust, accurate pricing mechanism between producers and consumers. A comprehensive energy policy must level the terrain between traditional sources of energy and other sources, such as natural gas, wind, solar, and biomass, by assessing at the front end all the costs—short- and long-term—that a manufacturer truly incurs through its use of our shared natural resources. Oil and coal seem cheaper now but have a dramatically more costly future; renewables are more expensive now but long-term are virtually limitless in supply. Additionally, when more people worldwide demand a diminishing resource such as oil, economic stability may be undermined. As supplies get harder to come by, greater risks—deep water oil drilling and mountaintop removal—will be taken, elevating the likelihood of disastrous accidents or toxic by-products. Prices will necessarily rise, more likely than not in an unpredictable way.

One needn't be a believer in global warming predictions to make the case for a comprehensive energy policy, but a few facts bear repeating. The current level of carbon dioxide in the atmosphere is 390 parts per million (ppm) and dramatically increasing. Yes, this level has fluctuated throughout the earth's measured history, but it has never been higher than 300 ppm over the past 650,000 years at least. Yes, some people and locations may benefit from the predicted effects of global warming; the trouble is that we won't truly know who wins and who loses until it's too late. And yes, to reference a recent article in the *American Scholar*, life on earth

will almost certainly survive our CO₂ run up—in geologic time. The question then becomes whether we care if those conditions favor human life or not.

For our nation to have a stable and prosperous future, we must have a diverse, sustainable energy supply. Oil and coal, for any of the above reasons, are not part of the long-term solution. Some will argue that we shouldn't subsidize the development of new energy sources. If you have a good business model, you should be able to make it on your own! For some kinds of businesses, this might make sense, but energy supply cannot be run strictly as a conventional business; rather, it is a critical industry, undergirding all of our economic activity. It must be subject to comprehensive planning, regulation, and even subsidies—just as we currently subsidize oil, coal, agriculture, and many critical sectors. China, now the world's second largest economy, has already taken significant steps through subsidies to boost renewable energy research, production, and export. In just five years, they have garnered a 50% market share of solar panels—which they export to the U.S.

Before the U.S. Senate recently decided to drop an effort to pass a comprehensive energy bill, the Congressional Budget Office had calculated that one proposed climate and energy bill would cut the federal deficit. This finding helps dispel the myths that cleaner air, water, and land are too expensive and that we can't be smart about our abundant array of natural resources and the national budget at the same time. This finding demonstrates that explicitly recovering some of the hidden costs of oil and coal pollution makes good economic sense—right now. Drafted by Senators Kerry and Lieberman, that bill sought participation from all stakeholders—electric utilities, transportation fuels, and chemical producers. Their final proposal attempted to calculate and assess the true cost of greenhouse gas and related emissions from power plants and other sectors with the ultimate goal of a reduction to more sustainable levels. Their proposed new regulations for electric utilities would have been similar to the Republican-led effort during the first Bush presidency that reduced acid rain without the oft-touted hampering of industry.

Our current or next Congress should take up comprehensive energy reform. We cannot approach this problem piecemeal. To single out one industry or sector now may produce unintended negative distortions without solving the problem. We are all in this together. A broad-based energy and climate bill can help us toward energy independence and do so in a fiscally responsible way, twin goals we as a nation desperately need to meet.