

EOS

Policy Experts Debate Trump Energy Plan

Lauded by free-market proponents at a policy forum, the White House plan sparked disagreements among panelists about climate implications, the potential for a coal comeback, and carbon taxes.

Randy Showstack

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The Trump administration's energy and climate policy "has great free market promise," Robert Bradley said at a forum last week to debate the merits of the Trump administration's energy and climate policies. The CEO and founder of the Washington, D. C.-based Institute for Energy Research, which promotes free-market principles, Bradley labeled the administration's nascent policies as populist, proconsumer, protaxpayer, and pro-market entrepreneur.

He and other policy experts at the 22 February forum dissected the Trump administration's promises to dramatically shift U.S. energy and climate policies. The discussion took place at the Cato Institute, a Washington, D. C., think tank dedicated to principles of limited government and free markets.

The White House has stated in its America First Energy Plan that it is looking to boost domestic energy production, embrace the shale oil and gas revolution, eliminate "harmful and unnecessary policies" such as the Obama administration's Climate Action Plan (CAP), revive the coal industry, and protect clean air and water.

A Lot to Work With

"There's a lot we can work with there," said Adele Morris, senior fellow and policy director for the Climate and Energy Economics Project at the Brookings Institution, a Washington, D. C., public policy think tank that spans the ideological spectrum.

"We want to embrace shale oil and gas environmentally responsibly but make the resource available, and we want to protect clean air and water," she said.

One element of CAP is the Clean Power Plan (CPP), which the Trump administration is considering revoking, changing, or suspending. Currently tied up in the courts, CPP would have started to control greenhouse gases in existing fossil fuel-generated power plants and also would have helped the country meet its commitments under the Paris climate agreement.

A downside to the plan was its implementation by the states, Morris said. “Literally, the incentives to reduce emissions were all over the map in that rule,” she explained. Because every ton of carbon dioxide has the same impact on the atmosphere and temperatures no matter which state it comes from, “there is no good economic reason to create different incentives,” as states were doing under the rule, she said.

Climate Change

Several panelists dismissed concern about climate change, with one calling it “global lukewarming.” Several panelists dismissed concern about climate change. Bradley, for instance, called it “global lukewarming.”

“I don’t think we’re in mortal peril here” because of climate change, commented Catrina Rorke, senior fellow and energy policy director for the Washington, D. C.–based R Street Institute, which promotes free markets and limited government. The Trump administration “so far is unpacking some of the more problematic aspects of the Obama administration’s Climate Action Plan and will hopefully put us on the right track.”

Morris countered that “just saying that [climate change] is a hoax is not a tenable diplomatic approach.” In international forums such as the G20, “you have to engage when countries care deeply about climate change,” she added.

A Carbon Tax?

Bradley and Rorke disagreed about whether the Trump administration should push for a carbon tax. Bradley said the tax “discriminates against the hydrocarbon, oil, gas, and coal capital of the world, which is the United States. It’s an ‘America last’ energy policy.”

Rorke, however, supports the tax, saying that “a revenue-neutral price on carbon,” if done properly, “is a great policy.”

Earlier this month, the Climate Leadership Council, whose members include such former GOP officials as James Baker and George Shultz, released a carbon “dividends” plan that would include a gradually increasing carbon tax, carbon dividends for all Americans, border carbon adjustments on imports and exports, and a regulatory rollback on carbon dioxide emissions. Morris said that a carbon tax and other policies could provide resources to invest in coal country, where people are suffering a big economic downturn.

War on Coal

Morris disputed the notion that the Obama administration had undertaken a war on coal. She instead tied the decline in coal production to the shale gas revolution, decreasing costs of renewables, such environmental policies as the Environmental Protection Agency’s Mercury and Air Toxics Standards, and the prospect of future climate policies.

Companies that have very long life capital investments such as power plants “are not going to want to invest in a new coal plant if they think that there is any prospect of climate regulation well past this administration,” she said.

Opening up federal lands for new coal mining also drew her skepticism because there is already “underutilized capacity at existing mines,” she said. “To me, that just defies economic logic.”