



EPA's Clean Power Plan is the biggest threat to US energy renaissance

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The U.S. is in the midst of an “energy renaissance” far beyond the wildest imagination of anyone from merely a decade ago. Unfortunately, the EPA may kill it.

Their “Clean Power Plan” (CPP) is yet another attempt to foist expensive, unreliable, unworkable “renewable” solar and wind power upon a highly serviceable national grid. Meanwhile, U.S. oil and natural gas production are at all time highs and prices are dropping. Using gas in place of coal for electricity generation cuts emissions by over 50 per cent and supplies very reliable power.

The American “energy renaissance” began in the 1980s and accelerated dramatically over the past decade. During that period, the EPA was in favor of natural gas as a cleaner alternative to coal as the nation’s primary source of fuel for power generation—probably not an unreasonable assumption for the energy future, despite the vast supply of high-quality U.S. coal resources available. Coal not used here would be available for export. In EPA’s view, coal was out and natural gas was in.

Exciting technological innovations developed by U.S. energy producers are now yielding record amounts of natural gas from abundant shale deposits across America. This “shale revolution” as it is called, has surged dramatically within the past five years, helping keep afloat a staggering economy.

Now, all of a sudden in 2015, the EPA has decided to impose a new vision of a “clean energy policy”: reduction and eventual elimination of even the cleanest of fossil fuels for power generation in the near future. Administrator Gina McCarthy’s recent comments of the policy are unsettling: the U.S. electrical power generation, she opined, will need to “shift toward renewable energy such as solar and wind power, rather than encourage an early surge toward natural gas as a means of replacing coal power.”

At best, her words demonstrate a misunderstanding of those soaring technical advancements by the U.S. energy industry to produce cheap, cleaner shale gas for domestic consumption as well as for export. At worst, her “clean power” policy is incredibly ill-advised and poorly-timed, especially given the disparity between the perpetually underperforming “renewable” energy sector and surging US natural gas production—which is abundantly available for power generation and far cleaner than coal.

The expectations that EPA places on renewable energy sources are unrealistic. The lead time and learning curve needed to develop energy sources and associated integration technologies are long and steep—assuming they're even physically possible. The natural gas industry has excelled on both fronts and is best positioned of all fuels to provide US power generation for the long-term.

The most bitter irony of the Clean Power Plan is that our country now has supplies of natural gas exceeding our wildest expectations from only a few years ago. Yet EPA Administrator McCarthy has reversed policy and is telling the American people and the natural gas industry 'not to go there' for long-term power generation—that our abundant natural gas supplies are not the best way to replace coal in the world's largest energy economy. Essentially, the EPA wants to substitute what doesn't work for what does.

If natural gas is now being scorned, what energy source will fill the gap between the “end” of fossil fuel energy and the “arrival” of carbon-free fuel sources? Analysts on both sides of this issue really need to bore into this question because renewables are not yet up to this challenge. As much as we might want renewables to succeed, they are currently incapable of producing the seamless energy supply most Americans take for granted.

The U.S. probably has never been more energy independent than we are now. For this we can credit the shale revolution's enormous production of natural gas—undoubtedly the best near-term selection to replace coal-fired power generation. Given its abundance and the dramatic drop in carbon emissions resulting from coal to natural gas power conversion—why is this achievement not quite enough for this EPA?

What about a more ideal energy policy going forward: EPA stays away from both natural gas and renewables, letting the free market continue to make American energy production the cleanest and most efficient on Earth.

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