

In Search of Plan B: Moving U.S. Energy and Climate Policy Forward

The time has come for a new approach to moving U.S. energy and climate policy forward. At this writing, against a backdrop of an increasingly limited congressional calendar and the adoption of a healthcare package that most certainly strained whatever appetite existed for bipartisan compromise, the political focus has turned to targeting job growth and economic recovery ahead of mid-term elections -- and as a result, the prospect of adopting energy and climate legislation seems more and more remote. A trio of Senators, Kerry, Graham and Lieberman, continue their quest to cobble together a bipartisan compromise, but to date those efforts seem to have produced little more than a congressional "wish list" of urging support for particular fuels, technologies, and policy priorities, and it remains to be seen whether or not this hodge-podge approach will yield new breakthroughs on the tough political choices necessary to produce anything close to sound and thoughtful policy or prove to be yet another exercise in selective "cherry picking" and political posturing. The real tragedy is that both the United States and the world could really benefit from serious and thoughtful American leadership on this issue.

The Obama administration took office in January 2009 with the very ambitious goal of enacting a climate bill in 10 month's time in order to position themselves for a leadership role in Copenhagen. The urgency of the "mission" combined with the compressed timeline led the administration and a Democratically controlled congress to push legislation through the House in less than six months, but the end product was achieved at the expense of bipartisan action and involved a number of sub-optimal policy trade-offs in order to secure the necessary votes for passage. As year end approached, no comparable bill emerged from the Senate, forcing the United States to arrive at the Copenhagen summit with no firm policy in place and the ability to offer only provisional commitments about its emissions reductions plans. In hindsight, what appears to have derailed the administration's "Plan A" was a combination of political miscalculations about the difficulties inherent in moving progressive energy and climate legislation through congress without making a concerted and sustained effort to find pragmatic compromises and the need to foster a deeper appreciation for the complexities, long lead-times, massive investment, increased costs and inherent uncertainty involved in transitioning from our current system to a low carbon energy future.

Successful governance is far more complicated than campaigning and requires a much different approach. Energy in the United States is likely to be more of a regional issue than a partisan one, although democrats and republicans typically have distinctive fuel and policy preferences. The efforts currently underway in the Senate increasingly reflect that fact and would have been a decidedly better tack for the administration to have taken at the outset of this debate - an approach which prioritized efficiency measures and getting a cost for carbon while simultaneously working to find the appropriate balance and composition of fuels, including fossil fuels, and technology choices that we will need to carry us through the transition and towards a more sustainable and cleaner energy future.

The administration is to be commended for its unprecedented focus on efficiency improvements and promoting the increased use of lower carbon fuels and renewables, new technology and research initiatives. Behind the aspirations of those who wish to transform the global energy system at breakneck

speed, however, must be the realization that policies aimed at promoting the move to cleaner fuels, new technologies and infrastructure investments, must surely be supplemented with serious efforts to ensure that the conventional system also remains robust and that policy strategies remain viable against a variety of circumstances and outcomes along the way. Given hurdles of cost and deployment and the time needed (even on an accelerated basis) to turn over capital stock means that the transformation will necessarily take decades. Political sloganeering calling for energy independence at any cost, in an increasingly interdependent world where labor, capital, technology and commodities move without boundaries, is rhetorical flourish without the underpinning of thoughtful policy. Similarly, as efforts are made to enlist private enterprise to fund and continue the jump start of technologies made possible by virtue of stimulus dollars, consistent and predictable government policies coupled with a strategy for partnering with the private sector, rather than the demonization of certain sectors, should be encouraged.

Copenhagen was clearly not the success many had hoped for, but neither was it a failure. A dialogue of major emitters is now underway but unlikely to produce a globally coordinated agreement or an adequate level of emissions reduction pledges in the near future. In the absence of a clear and united path forward, national actions are likely to be fragmented and potentially divisive as nations consider local content, protection of home grown industries and jobs, and tariff protections - all of which could jeopardize the global economic recovery.

President Obama's history reflects an unwavering commitment to ideals, but also demonstrates a strong predilection for pragmatism and results. Even without a climate crisis, it was abundantly clear that our energy and economic systems were in need of a "reset" as continuation of the status quo was both unacceptable and unsustainable. Having the vision of a more perfect future is laudable indeed, but unless it is coupled with a more thoughtful strategy for managing the transition, even the best of visions become nothing more than aspirational goals.

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