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SUBJECT:: Fwd: Killing Energy

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TEXT:
FYI

--- Marlo Lewis [REDACTED] wrote:

> Subject: Killing Energy
> Date: Fri, 15 Aug 2003 14:10:25 -0400
> From: "Marlo Lewis" [REDACTED]
> To: "Marlo Lewis" [REDACTED]

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> Updated: This article is adapted from a National Review Online column
> of July 28, 2003

> Killing Energy: Beware the "Soft Kyoto" Strategy
> By Marlo Lewis, Jr.

> Determined to pass energy legislation before Congress adjourned for its
> August recess, Senate leaders brokered a deal replacing this year's
> Republican-drafted bill (S. 14) with last year's Democrat-drafted bill
> (S. 517). Both bills are laden with pork, but S. 517 actually qualifies
> as an anti-energy bill.

> To begin with, S. 517 affirms the Kyoto Protocol's pseudo-scientific
> vision of an impending climate catastrophe caused by man-made emissions
> of carbon dioxide (CO2), the inescapable byproduct of fossil fuel energy
> generation. If Congress puts its seal of approval on this kind of
> alarmism, it would mobilize pro-Kyoto lobbying both inside and outside
> the U.S. government. Not coincidentally, S. 517 would create a White
> House climate czar charged with the tasks of developing and presenting
> to Congress a national carbon reduction strategy. In other words, the
> bill would establish a permanent institutional base within the Executive
> Branch for anti-energy advocacy.

> In addition, S. 517 would set up a national registry to track companies'
> carbon emissions. If after five years companies producing at least 60
> percent of estimated U.S. emissions decline to "volunteer" for the
> program, participation becomes mandatory, enforceable by fines of up to

- > \$25,000 per day. In other words, the bill would build the monitoring and
- > enforcement framework for a future Kyoto-style emissions cap-and-trade
- > program.
- >
- > Finally, S. 517 would institute the first nationwide "renewable
- > portfolio standard" (RPS) for the electric power sector. An RPS is a
- > regulatory scheme requiring a specified percentage of electricity to
- > come from solar, wind, and other politically correct technologies. Under
- > S. 517, 10 percent of the nation's electricity would have to come from
- > renewable sources by 2020.
- >
- > The Republicans who will control the House-Senate conference committee
- > on energy legislation in September are no fans of S. 517. Senator Pete
- > Domenici (R-N.M.) has even suggested that S. 517 is irrelevant, stating:
- > "We're the majority. We write the bill in conference." However, the
- > outcome is far from certain.
- >
- > As part of the deal, Senate leaders agreed to schedule debate on the
- > "Climate Stewardship Act" (S. 139), sponsored by presidential wannabes
- > Senators John McCain (R-Ariz.) and Joe Lieberman (D-Conn.). Like the
- > Kyoto Protocol, S. 139 would impose caps on carbon dioxide emissions
- > from the U.S. power, manufacturing, and transportation sectors.
- >
- > McCain says he does not expect Congress to enact his bill. However,
- > opponents may feel they have to accept an RPS-a top priority of Senate
- > Energy and Natural Resources Committee ranking member Jeff Bingaman
- > (D-N.M.)-in order to look "green" and produce a bill that Democratic
- > leaders can support. But an energy bill with an RPS would not be worth
- > having, for several reasons.
- >
- > First, an RPS is fundamentally a set-aside program-a corporate welfare
- > entitlement for industries that would not exist in a free market.
- > Whatever level it is initially set at, the RPS will function as a floor,
- > not a ceiling. Once enacted, it will strengthen the renewable-energy
- > lobby and grow like other entitlements. The potential to exploit
- > consumers, misdirect capital investment, and undermine the productivity
- > of electric-intensive industries is vast. In March 2002, John Kerry
- > (D-Mass.), Joe Lieberman, and 27 other senators voted for a 20-percent
- > RPS-twice the size of S. 517's mandate. Enacting a 10-percent RPS would
- > encourage those worthies to keep pushing, year after year, until
- > Congress ratchets up the RPS to 20 percent or higher.
- >
- > Second, a nationwide RPS is an unfunded, one-size-fits-all federal
- > mandate. What is the point of requiring states to devise implementation
- > plans to meet federal clean air standards if Congress is going to
- > dictate the details of those plans? States are already free to subsidize
- > and mandate the use of renewables if they wish, and many do. A
- > nationwide RPS tosses federalism out the window.
- >
- > Third, if Congress forces the power sector to use more non-fossil
- > energy, utilities will have less reason to resist Kyoto or
- > McCain-Lieberman, since they will already effectively comply with a
- > carbon cap. Indeed, some may even lobby for McCain-Lieberman,
- > calculating that their renewable portfolios will make them net sellers
- > of carbon credits under a cap-and-trade program. Instead of mollifying
- > the Kyoto crowd, enacting an RPS will simply tee up McCain-Lieberman for
- > the next round.
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- > Compromises that advance your opponent's agenda and build his power base
- > are seldom stable and never smart. Better no energy bill than a bill

