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Louisiana Energy Topic

Department of Natural Resources

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A Supplement to LOUISIANA ENERGY FACTS on Subjects of Special Interest

AN OPPORTUNITY FOR ENVIRONMENTAL COOPERATION, NOT CONFRONTATION?

For years there has appeared to be an irreconcilable culture clash between the environmental interests and the energy industry, particularly the fossil fuel sector, i.e., coal, oil, and natural gas. But on July 24, 2002, the Pew Center on Global Climate Change, under the direction of Ms. Eileen Claussen, former Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, released a new report entitled “**Designing a Climate Friendly Energy Policy: Options for the Near Term**”. The complete report is available on the Pew Center’s web site, www.pewclimate.org/projects.

The Pew Center is an independent, non-profit, and non-partisan organization dedicated to providing credible information, straight answers, and innovative solutions in the effort to address global climate change.

The Center’s press release quotes Ms. Claussen as follows: “As the findings in this report indicate, the notion that energy policy and climate policy objectives are necessarily at odds is simply a myth. Energy use and climate change are inextricably linked, so it makes sense for policy makers to consider options that simultaneously advance the goals of energy policy and climate policy. Choices made in the current energy policy debate will directly impact U. S. greenhouse gas emissions far into the future. In addition, near term energy policy decisions will affect the costs of implementing any future climate policy.”

The report identifies chief U. S. energy policy objectives, including:

- (1) A secure, plentiful, diverse primary energy supply,
- (2) A robust, reliable infrastructure for energy conversion and delivery,
- (3) Affordable and stable energy prices, and
- (4) Environmentally sustainable energy production and use.

Key elements of a climate friendly energy policy include:

- (1) Increasing natural gas production and expanding natural gas transportation infrastructure;
- (2) Developing and deploying renewable energy technologies and efficient electricity production technologies, without weakening Clean Air protections;
- (3) Enhancing efficiency of automobiles and light trucks, industry, and buildings, and
- (4) Research and development on non-fossil fuels and carbon sequestration.

The report examines a number of energy policy options that would advance U. S. energy policy goals during the upcoming decades while at the same time contributing to efforts to curb global warming. The report was written by Douglas W. Smith, Robert R. Nordhaus, Thomas C. Roberts, Shelley Fidler, Janet Anderson, Kyle Danish, and Richard Agnew of Van Ness Feldman, P. C., with Marc Chupka of the Brattle Group.

Given the unintended consequences of the Energy Policy Act of 1992, i.e., the significant downgrades in credit quality among gas (and electric) utilities, the increased emphasis on “financial Mcf’s” of natural gas, not physical Mcf’s of natural gas production, the increased volatility of energy prices, especially crude oil and natural gas, each such consequence has contributed to damage to the credibility of the role of natural gas as a secure and dependable source of energy supply at affordable prices.

This report, from such a prestigious environmental institution, may create the opportunity for constructive dialogue between what had been perceived as adversaries, to finally realize the true potential of natural gas in the U. S. energy policy mix in the 21st Century, and result in the opening of lands currently off limits for exploration. Let us hope that reasonable people of good will from each point of view can come together to capitalize on this opportunity created by the Pew Center for Global Climate Change, for the benefit of the economy and Mankind, and convey their goodwill to our national legislators.