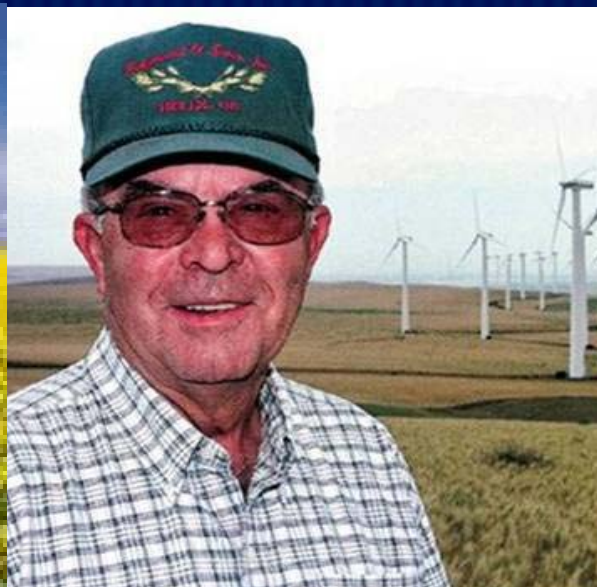




Federal energy policy

*Scale it up and solve for all 3:
security, economy, and climate*



Cascadia
Future Trends
6.01.06

K.C. Golden
Policy Director
Climate Solutions



“A Failure To Imagine”



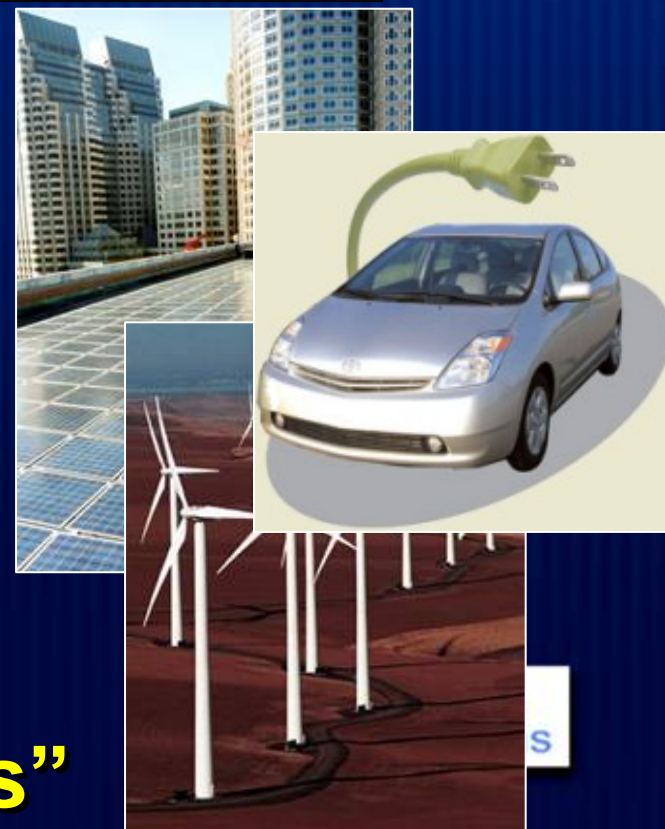
Approaching the Tipping Point: Clean energy transition drivers

- Energy independence and security



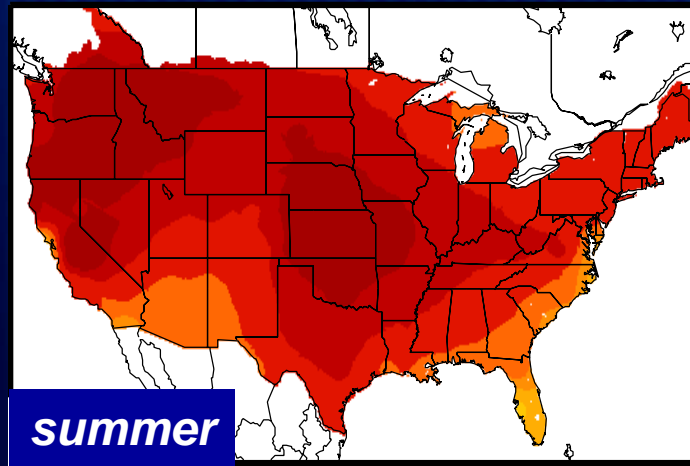
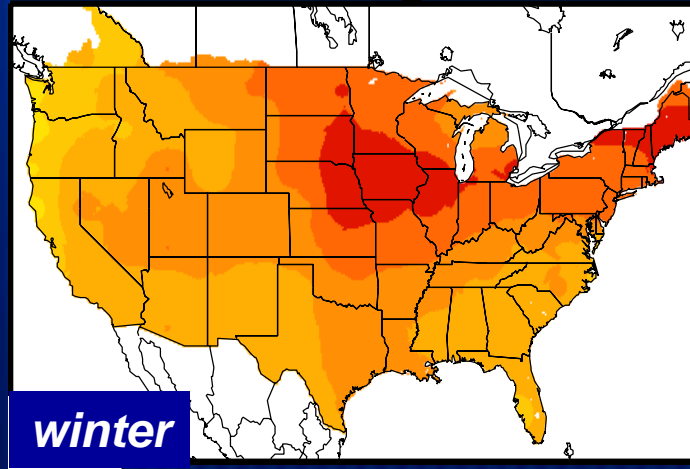
- Economics/Technology
 - Fossil fuel prices high, volatile
 - Clean energy coming of age
- Climate disruption:
Environmental necessity drives economic opportunity

**“The Stone Age didn’t end
because they ran out of stones”**

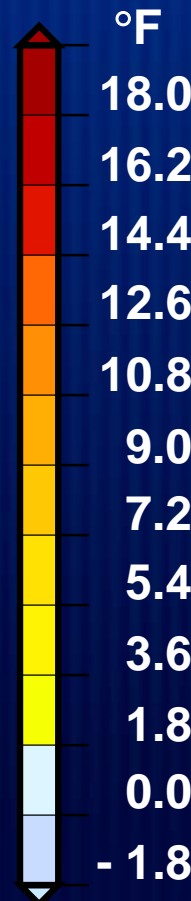
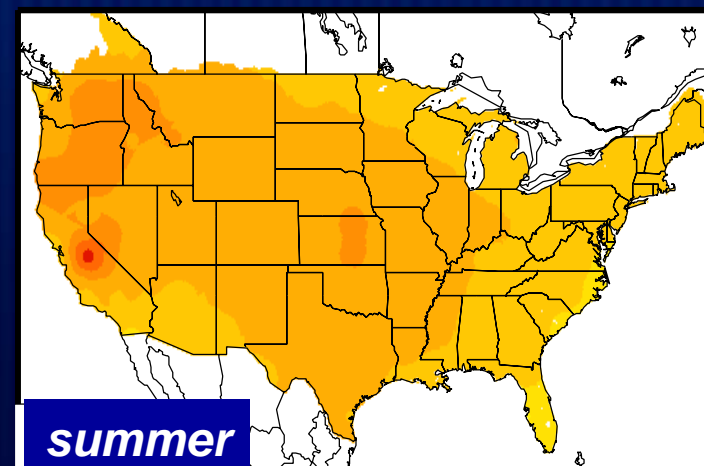
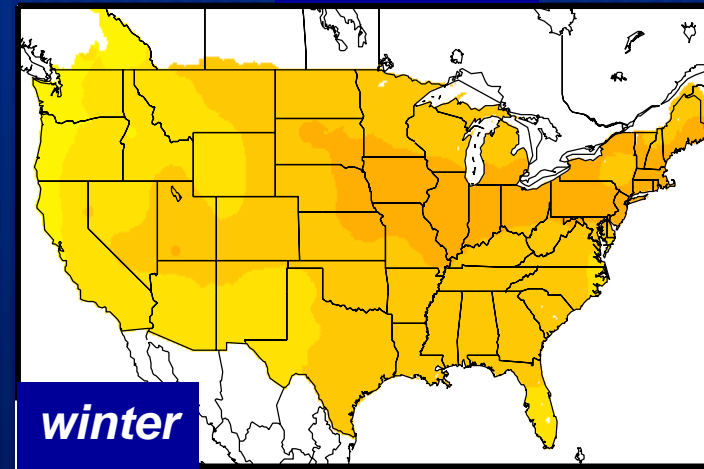


Projected Temperature Increase **21st Century**

HIGHER EMISSIONS



LOWER EMISSIONS



Notes: HadCM3 model results for 2070-2099 vs. 1961-1990. Higher emissions = A1fi; lower emissions = B1. Data from IPCC Third Assessment Report. Downscaled results from E. Maurer (<http://www.engr.scu.edu/~emaurer/index.shtml>).

Lower emissions path:

Energy security, sustainable prosperity

- Real security: reducing fossil fuel dependence is key
- Fix the leak in economy: > \$30 million per day for oil and gas (WA)
- Stake our claim to the clean energy industries of the future

3 Principles *for a stronger energy policy*

1) Gas prices are telling the truth: Fossil fuels are prohibitively costly

- Security, economy, climate
- Price of oil may fall, but then it's lying.
(“Peak oil”? – more like a craggy ridge.)
- The truth: bad politics? –
 - Problem statement: “addicted to oil”
 - Treatments: expand supply, reduce price?
- Jack Nicholson was wrong; we CAN handle the truth.

2) Public policy should send clear signals for long-term investment in reducing fossil fuel dependence.

- **Strong public policy and thriving private markets are not competing worldviews.**
- **Aversion to “mandates” is an obstacle to smart, efficient, market-oriented policy.**
- **Policy sets the limits and timelines; markets invest and achieve:**
 - **Renewable fuel and power standards**
 - **Vehicle, building, appliance efficiency**
 - **Carbon cap and trade**

The business case for climate policy...

“There is....one great, unknown element that will have a profound impact on the...direction of our industry, and this is the public policy response to climate change and future requirements for controlling GHG emissions.

I can tell you as a business leader this makes me very uncomfortable. I prefer an environmental policy that is clearly defined, with precise emissions targets and timetables I believe that such a program...must include a sound, mandatory program for reducing greenhouse gas emissions.”

Frank Cassidy, President and COO of PSEG Power



3) Solve the equation for all 3 drivers

Security

Climate

Economy

3) Solve the equation for all 3 drivers

Security		
Climate	?	
Economy		

Coal

Oil shale/sands

3) Solve the equation for all 3 drivers

Security					
Climate	?				
Economy			?		?
	Coal	Oil shale/sands	Nuclear	Wind	Solar

3) Solve the equation for all 3 drivers

