

Practical approach fixes leaks in energy system

By Richard Lugar

Energy is a vitally strategic national security issue. The real cost of petroleum includes using our military to defend shipping lanes and maintain geopolitical stability in oil-producing regions. More troubling, four-fifths of the world's oil reserves are controlled by governments, and many of these regimes do not wish us well or have shown some inclination to use oil as a foreign policy weapon.

I have introduced in the U.S. Senate a practical energy and climate plan that targets saving Americans money on their energy bills. It would decrease the transfer of wealth away from our shores and help stimulate the economy and job growth here at home, particularly in Hoosier industries such as advanced auto and battery technology, building trades, biofuels and diverse energy production.

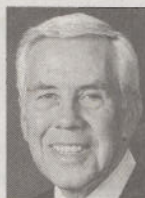
This practical approach prioritizes the cheapest and easiest energy savings to achieve efficiencies in our buildings, appliances and industrial processes. In short, it fixes the major leaks in our energy system by:

- » Reducing foreign oil dependency.
- » Saving Americans money on energy bills.
- » Improving industrial competitiveness.
- » Investing in cleaner and more diverse energy choices.
- » Better using our domestic fossil fuel resources.

This legislation reflects both Republican and Democratic proposals and avoids any cap-and-trade provision. The plan would generate the following savings by 2030:

- » Cut foreign oil dependence by more than 40 percent.
- » Decrease national energy consumption by 11 percent.
- » Reduce average household electric bills by 15 percent.
- » Cut greenhouse gas emissions by more than 20 percent, or about 1.6 billion metric tons — the equivalent of removing more than 240 million cars from our highways.

The bill accelerates electric power diversification, spurring the use of secure domestic resources and environmentally responsible generation. This will help the Indiana power sector shutter the oldest and most inefficient



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coal power plants and replace them with newer and cleaner plants, renewables and other energy sources.

Most important, the bill targets our dangerous oil addiction by maximizing fuel savings in transportation and increasing domestic production of fossil and

bio-based fuels.

Without aggressively decreasing our long-term foreign oil dependency, we are risking economic and security disasters, as well as even more severe trade imbalances and costs for consumers. In 2008 our trade deficit from importing oil (\$439 billion) was nearly twice as great as our trade deficit to China (\$227 billion). Oil imports represented nearly half of our total \$840 billion trade deficit.

This practical alternative recasts the climate and energy debate in Congress and matches the energy and cost saving priorities of Americans with federal policy.

A debate where carbon reductions are placed ahead of solving energy vulnerabilities is unnecessarily controversial and politically unsustainable. Energy policy would benefit greatly from political consensus. It would be unwise to impose an expensive cap-and-trade plan by a narrow political margin at a time when the added expense could intensify U.S. economic pressures, thus undercutting any efforts toward carbon reductions.

Moreover, if we experience intense shocks to the American way of life stemming from oil shortages, politically motivated embargos, wars or natural disasters, all bets are off for policies directed at mitigating climate change. If a sustained oil shock renders the American public and economy immobile, it is almost inconceivable that we would tolerate government-imposed sacrifices focused on climate change that add to the burdens and slow the economy further.

In this context, breaking our oil dependence, with all the national security, economic and environmental benefits that would come with such a victory, must be our top energy priority.

★ View details of the Lugar energy proposal at <http://lugar.senate.gov/energy>.