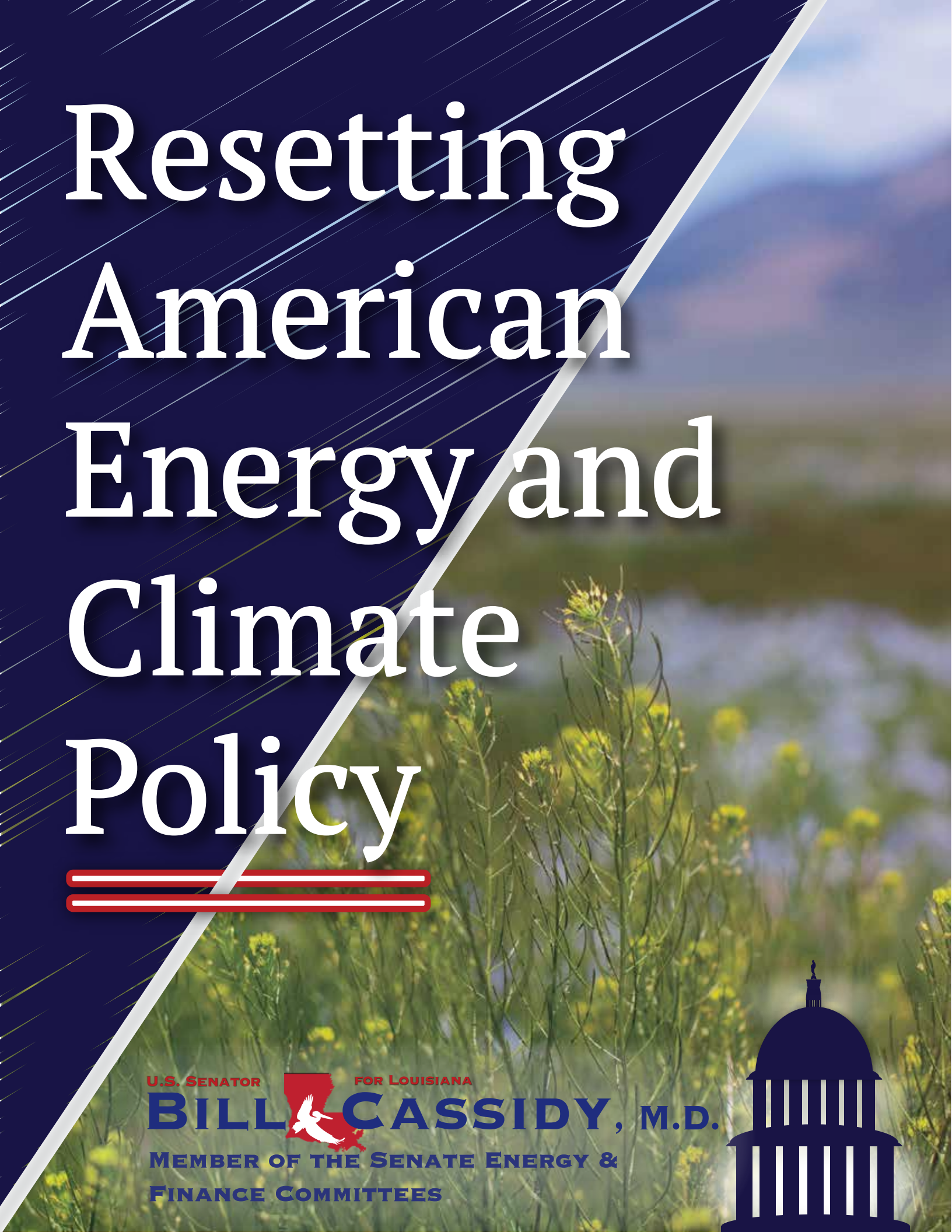
Resetting American Energy and Climate Policy



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"The world will be safer and the planet healthier in a future free of Russian energy. This requires addressing global security, climate, and the ability of a family to afford a tank of gas." - Sen. Bill Cassidy

Putin's invasion of Ukraine requires denying Russia income. To decrease Russian influence, American energy and climate policy must be reset at the nexus of global security, climate, and the financial well-being of the nation and families. To not balance each one risks our ability to achieve all four. Energy must be affordable while lowering emissions intensity. This requires a global perspective and applying an Operation Warp Speed model to the regulatory state.

Europeans are particularly dependent on Russian energy. Europe must replace Russian energy assets with affordable alternatives including extending the life of existing nuclear and increasing imports of liquefied natural gas from America. Releasing oil from accumulated international oil reserves is a temporary fix, but by next winter we must increase production of oil and natural gas to replace Russian sources. These actions can stabilize prices, create American jobs, and lower global emissions by applying our environmental standards and lessening European reliance on coal.

An Energy Operation Warp Speed is needed to streamline permit approvals for energy and carbon sequestration projects. Currently, applications may sit for years without a decision. We seek a renewed focus on processing permits without compromising healthy environmental standards. This is similar to our streamlining of the production and approval of a COVID vaccine without compromising safety.

Indeed, this outline consists of efforts to lower emissions. It speeds up permit approvals for energy and manufacturing facilities to install technology to lower emissions. It continues the substitution of natural gas for coal on a global level. It removes hurdles for renewable energy development.

To further address climate change, reducing global emissions needs to be our goal. We should seek additional technology-neutral policies that can help lower emission intensity in coordination with our allies. This includes better identification of supply-chain emissions and encouraging trade of lower emission intensity goods. Our policies should not limit production, but promote companies who produce in the cleanest manner.

To defeat Putin, we must deny Russia energy revenue while strengthening democracies economically. To achieve this in the moment of crisis, the regulatory state must serve these goals. We must have a globally focused, multi-pronged strategy. It can be done, it must be done and it is what we attempt to begin here.

Four Steps Forward

Section 1. Energy Operation Warp Speed

Section 2. Building resilient supply chains

Section 3. Drawing developing countries closer

Section 4. Aligning with our allies

Section 1. Energy Operation Warp Speed

The U.S. has the resources, manpower, and ingenuity to provide the world the energy and goods demanded by a modern economy. America must leverage these traits to support our economy and reduce reliance on products from Russia.

Understanding the essential role of private finance, establish a stable regulatory regime to enhance financing accessibility

- Refine the regulatory power of agencies such as the Environmental Protection Agency to ensure an FDA-like Project Warp Speed approach to building new energy and manufacturing
- Consolidate oversight of CO_2 and hydrogen pipelines and expedite permitting approvals of all pipelines
- Only require the operator or developer of new infrastructure to be responsible for the emissions they directly control
- Specify the Security and Exchange Commission (SEC) can require source emission data but not analysis of hypothetical scenarios or policy proposals

Support development through expansion of existing public financing for energy and manufacturing infrastructure

- Increase the value of the 45Q tax credit and extend certain energy credits
- Establish new financing opportunities for manufacturing and hydrogen
- Ensure a future for the existing nuclear fleet and expand uranium refining
- Transition to a multi-sector emission-intensity reduction tax credit

Section 1. Energy Operation Warp Speed

Given the importance of developing traditional energy resources and renewable energy sources, streamline permitting to expedite the development of energy resources and manufacturing

- Simplify permitting requirements for energy development of renewables, fossil, and nuclear as well as manufacturing below certain emission intensities
- Lower hurdles for projects with well-established environmental profiles and technologies that reduce emissions through updating existing facilities
- Create mandatory feedback and approval timelines for all permitting decisions as well as adjudication of complaints and appeals
- Fully implement advanced nuclear permit streamlining as passed by Congress
- Complete oil and natural gas lease sales and finalize a new 5-year plan for future development
- Extend the public interest determination for natural gas exports to allied countries and approve pending export licenses
- Provide emergency financing and permitting allowances to build new:
  - Natural gas production, pipelines, liquefaction, and export capacity
  - Critical mineral and uranium mining and refining capacity
  - Energy efficiency equipment

Section 2. Resilient supply chains

America must secure supply chains for critical resources and products, harden infrastructure, and prepare for threats. To achieve these protections, the U.S. must build substantial reserves of key materials, invest in protecting infrastructure of national significance, and continue research and development into ground-breaking technologies.

Stockpile Fuels and Critical Minerals

- Expand the Strategic Petroleum Reserve to include other resources such as hydrogen and carbon
- Expedite purchases for a Strategic Uranium Reserve
- Finance reserves of other critical minerals sourced from non-Russian and Chinese sources
- Expand production of technologies critical to energy infrastructure like semiconductors

Nature-Proofing Infrastructure

- Extend public-private partnerships, revolving funds, and low-interest debt financing for resilient infrastructure
- Increase pre-disaster mitigation programs, funding, and tax-breaks for businesses and individuals
- Create baseline resiliency and reliability metrics for transmission and energy infrastructure
- Promote land and vegetation restoration programs to increase natural resiliency

Section 2. Resilient supply chains

Reduce Supply Chain Constraints Through Research

- Ensure efficient and complete implementation of the Energy Act of 2020 and the Bipartisan Infrastructure Investment and Jobs Act (IIJA) passed under the Trump and Biden administrations, respectively
- Place a greater emphasis on direct air capture technologies and develop new ways to utilize captured carbon to create new markets
- Extend abilities for the private sector to contribute to the Department of Energy (DOE) and National Lab Research and be involved in translating research to the general benefit of consumers
- Establish negative emission metrics for ecosystem restoration and natural carbon sinks

Section 3. Draw developing countries closer

Providing financing for smart, sustainable development in developing nations must be a priority for America to remove dependence on Russia and China, help expand economic opportunity in developing nations, and lower global emissions.

Elimination of Development Financing Barriers

- Instruct the Treasury and State Departments to pursue energy financing that is technology-neutral and meets the needs of recipient countries*
- Ensure consideration of the emission intensity of potential substitute energy sources if financed by China or Russia instead of the United States
- Provide direction to the World Bank Representative to advocate for nuclear energy financing and development assistance
- Ensure flexibility of U.S. Development Finance Corporation (DFC) equity financing to expand financing capabilities and amounts

Export and Development Support

- Increase authorization levels at the Export-Import Bank and U.S. Development Finance Corporation and establish Offices of Energy with clear technology-neutral financing goals*
- Increase coordination between agencies tasked with export, trade, and development support to identify, pursue, and craft financing packages for competitive energy projects
- Create programs to help developing countries establish the necessary regulatory capacity for nuclear energy growth or provide resources to an international agency to help regulate, and license new reactors

*Financing approaches should remain technology-neutral and focus on meeting all needs of developing countries including affordability and flexibility but should also seek to lower emission intensity when possible

Section 4. Align with our allies

As the Russian invasion of Ukraine has shown, America and its allies and partners must ensure that supply chains and trade are focused on reducing the reliance on Russia and other bad actors. To do this, the U.S. must align efforts to expand energy and manufacturing, align trade flows, and coordinate on climate response.

Approaches to assist in the short-term alleviation of the global energy crisis

- Continue coordinated releases of Strategic Petroleum Reserves
- Expedite export of any and all available fuels, including coal and liquefied natural gas (LNG)
- Assist in developing additional LNG import capacity in Europe and abroad
- Embolden the international community to expand pipeline infrastructure to eliminate existing silos and reduce dependency on one supplier
- Encourage and support Europe keeping existing nuclear energy online

International Development Guidance

- Encourage an increase in global funding for energy development and low-emission manufacturing
- Focus on emission intensity and technology-neutral approaches while eliminating exclusionary technology-specific guidance on energy financing
- Create taskforces at the World Bank to provide developing countries analysis on development pathways which include nuclear energy

Section 4. Align with our allies

Long-term Environmental and Climate Stewardship

- Coordinate on the ability to capture carbon in Europe
- Expand efforts to fulfill the One Trillion Trees Initiative to naturally capture and sequester carbon
- Re-orient coordinated global energy research initiatives around specific technology goals and deployment
- Participate in efforts to better understand supply-chain emission profiles of manufactured products
- Seek aligned multi-lateral methods of reducing emission intensity
- Design trade-related mechanisms to limit market access of abnormally emission-intense energy and products manufactured in Russia and China

The World Needs a Russia-Free Energy Future.

America needs to lead the way.