Climate Policy

The Issue

Whether called global warming, climate change, or climate disruption, the concept of greenhouse gas (GHG) emissions leading to catastrophic levels of warming has been used as a justification for a wide range of interventions in the economy, ranging from carbon caps to taxpayer funding for alternative energy. While justified on the basis of "science," these policies are in fact a matter of political judgment. To accept the case for drastic government action based on climate change, one must simultaneously believe that climate change 1) is occurring, 2) primarily as the result of human activity, and 3) will have serious net negative impacts that 4) can be prevented 5) at a reasonable cost. Some of these claims are scientific conclusions supported by physical evidence. Others are matters of speculation, or rely on economic and political assumptions divorced from the province of climate science.

In the summer of 2009, the U.S. House of Representatives narrowly passed the 1,500 page Waxman-Markey (W/M) cap-and-trade bill. With 1,000 new rules implemented by 21 federal agencies and new spending of $825 billion, the W/M legislation would have forced reduction of fossil fuel use to a level not seen since the late 19th century. Growing awareness of the staggering cost, job loss, government growth, and ineffectiveness stalled action on the bill in the U.S. Senate.

Ironically, rejection of government command and control solutions has gone hand in hand with a reduction in GHG emissions due to the workings of the free market. In October 2013, the Energy Information Administration (EIA) announced that energy-related emissions of CO_2 decreased 3.7% in 2012, the lowest emission level of CO_2 since 1994. Indeed, CO_2 emissions in the U.S. are falling faster than in countries under mandates such as the European Union's Emissions Trading System or in countries like Germany that have most aggressively pursued renewable energy.

The United Nations run Intergovernmental Panel on Climate Change (IPCC)'s Fifth Assessment Report has drawn back from a number of alarmist conclusions in previous reports, lowering its estimate of climate sensitivity and downgrading the likelihood of a link between recent warming and extreme weather events.

Despite this, the Environmental Protection Agency has begun to enact many of the regulations included in the rejected Waxman/Markey bill through executive action. EPA's increasing regulations to reduce greenhouse gases (GHG)—namely carbon dioxide (CO_2)—pose the greatest threats to the energy-intensive Texas economy. EPA's proposed New Source Performance Standards (NSPS) for CO_2 emissions from existing power plants mandate that the state completely re-design Texas' electricity market and generating system—a federal mandate that violates state law and is far beyond the regulatory authority of the TCEQ or PUC.

Now called EPA's Clean Power Plan (CPP), the CO_2 standards would force fuel switching from coal to natural gas on a vast scale and assumes a 150% increase in generation from renewable sources. Although Texas' 12,000 Megawatts (MW) of installed generation leads the nation and most countries, none of this wind capacity counts in EPA's rule. EPA projects that the CPP rule will force early closure of over 16,500 MW of coal-fired generation by 2020—roughly 15% of the state's total 110 gigawatts (GW) of electric power. This rule imposes a steeply disproportionate burden on Texas compared to all other states. Although Texas generates 11% of the nation's total electricity, EPA would impose on Texas 20% of the national obligation to reduce CO_2. Texas would have to reduce emissions of CO_2 by 42%—three times more than the next state (Florida).

Although EPA's Clean Power Plan carries multi-billion dollar costs and risks to electric reliability, EPA admits that the envisioned 30% reduction of CO_2 from power plants would only reduce predicted global warming by 0.01 degrees Celsius. In out of court settlements, EPA had agreed to promulgate these same CO_2 standards on refineries, pulp and paper, metals and agriculture.

continued on back

The Facts

- Over the last 150 years, the amount of CO_2 in the atmosphere has roughly doubled, to 390 parts per million, and, at current rates, is projected to more than double again over the next century.
- Average global temperatures have risen about 0.8 degree Celsius over the same period, much less than the change that models would predict.
- Global average temperatures have not risen over the last 17 years.
- The last several years have seen growing discrepancies between observations and climate model projections, evidence of lower climate sensitivity to increases in CO_2, increasing Antarctic sea ice extent, and evidence that recent sea level rises are no more than in some previous periods.
- For the U.S. to achieve an 85% reduction in GHG emissions—the global reduction promoted by the IPCC to avert dangerous interference with the climate—emissions would have to be reduced to a level not seen since the 19th century.
- EPA's proposed restrictions on GHGs are expected to increase the cost of a vehicle $3,100 by 2025, and, if successful, would prevent only 0.01 degree Celsius of the expected warming, according to EPA's own estimates.

Recommendations

- Urge federal policymakers to establish an independent, rigorous review of IPCC science.
- Suspend state programs that require or incentivize GHG reduction.
- Eliminate EPA regulation of CO_2 emissions.

Resources

Statement to the Committee on Environment and Public Works of the U.S. Senate by Judith A. Curry (16 Jan. 2014).

Global Warming: How to Approach the Science by Richard S. Lindzen (22 Feb. 2012).

Coalition for Responsible Regulation, et al, v. Environmental Protection Agency, No. 09-1322 (D.C. Cir. Filed 16 Feb. 2010).

Global Warming: What Should Texas Do? by Ian Murray, Texas Public Policy Foundation (Apr. 2007).