Economic prosperity and our standard of living depend on affordable energy. However, since the 1970s, successive Congresses have largely pursued anti-energy policies to constrict energy supplies and raise energy prices. The 112th Congress should strike out in a new direction.

Mandates and subsidies for renewable, alternative, and conventional energy technologies have done far more harm than good. Tens of billions of taxpayer dollars have been wasted on subsidies, and subsidies and mandates together have provided a disincentive for alternative technologies to become competitive. It is unlikely that wind and solar power will ever become viable means of energy production as long as they can count on continuing subsidies and mandates. Congress should:

**Repeal all energy mandates and subsidies.**
The 2005 and 2007 ethanol mandates, coupled with the 45-cents-per-gallon refundable tax credit, have had particularly unfortunate indirect consequences. The exact contribution of the ethanol mandate to world hunger due to higher grain prices is uncertain, but still real, and quite evident in food riots around the world in recent years. The ethanol mandates should be repealed immediately. All other mandates, subsidies, and incentives—including those for conventional energy—also should be repealed. Subsidies and mandates for uncompetitive forms of energy pose grave threats to our future electricity needs. Wind and solar power can at most provide only a fraction of additional electricity demand over the next decade.

**Open the nation’s infrastructure to private investment.** Congress should remove regulatory obstacles that are preventing private investments in new energy infrastructure. A “smart grid” will never be built until Congress changes regulations so that investors have an opportunity—but not a guarantee—to profit from the hundreds of billions of dollars of investments required.

**Allow access to America’s domestic energy resources.** Having vowed to “never let a crisis go to waste,” the Obama administration has used the BP Gulf disaster to inhibit all domestic oil and gas production. Bureaucratic procrastination has slowed permitting to a trickle in deep water, shallow water, along the Rocky Mountains, and in Alaska. Congress should vigorously investigate this de facto moratorium on all domestic oil and gas production. In addition, Congress should push the administration to put offshore federal water with high oil and gas potential up for leasing through competitive bidding. Congress also should open the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and
production, and repeal many of the administrative withdrawals of federal lands from energy production in the Rocky Mountains. Together, these actions will increase domestic oil and gas production, create hundreds of thousands of high-paying jobs, lower the trade deficit by tens of billions of dollars annually, and contribute billions of dollars in royalty payments to the federal Treasury.

Enable technological innovation. The most effective way to increase energy efficiency is to replace existing technology with new technology. One of the reasons that greenhouse gas emissions have been rising more slowly (in percentage terms) in the United States than in most European countries is more rapid technological turnover because of higher economic growth. Congress can accelerate this trend by changing the tax code to allow immediate expensing of investment in new technology instead of according to a depreciation schedule over a number of years.

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