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THE SURGE

BY THE COMPETITIVE ENTERPRISE INSTITUTE

Welcome to the latest edition of The Surge!

- Climate change is being discussed in Dubai at COP28, and as would be expected, the radical climate policy ideas are running rampant (e.g. phasing out fossil fuels, reducing meat consumption).
- Why are a handful of Republicans promoting new taxes, punishing energy use, imposing higher prices, and letting other countries have leverage over how we regulate?
- The House just passed important legislation to stop the EPA's attacks on what Americans can drive.

These are just some of the issues covered below. Please let others know about The Surge and they can subscribe here.

Best,

CEI's Energy and Environment Team

THE LATEST ON COP28

COP28: The Conference On Penance

The 28th Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change should be renamed the "Conference on Penance."

The conference is about penance for failing to meet the tenets underpinning the religion of climate extremism. Talk in Dubai is about eliminating the use of fossil fuels, which among other things would mean no gasoline-powered vehicles, or natural gas appliances, and not using the resources that currently meet over 80 percent of the world's energy needs.

It's also fitting that this meeting on penance focuses on reducing meat consumption.

Then there's the new loss and damage fund, which is just a mechanism for developed countries to pay reparations to developing countries for having had the audacity to use the energy needed to improve everyone's lives, including the lives of those in developing countries.

There's a major underlying problem with all COPs. The focus is on how government can use its power to impose policies that will bring people down instead of identifying ways government can remove its obstacles so people can lift themselves up.

There's no discussion or consideration of the loss of freedom, harm to the poor, or what it would mean if the energy rich were to join the ranks of the energy poor. The costs and tradeoffs associated with radical climate policies are rarely mentioned.

COP28 and future COPs shouldn't be contests to decide who can punish their own people the most.

Four Hot Issues at COP28: Climate Summit will Mean Wealth Transfers, More Bureaucracy

In a new CEI report, Henri Schneider, who is a professor of economics and has represented Switzerland as a negotiator at previous COPs, discusses four major issues to be negotiated at COP28:

- Loss and Damage: Defined as "the actual and/or potential manifestation of impacts associated with climate change in developing countries that negatively affect human and natural systems," loss and damage seeks to have developed nations provide funding to developing nations to offset claims of negative effects attributed to climate change.
- Climate Finance: Due to an agreement at COP15 in 2009, high-income countries have an annual goal of mobilizing $100 billion for climate action. Negotiations at COP28 will touch on inducing international financial institutions like the World Bank Group to invest more money on climate policies.
- Global Goal on Adaptation: The Paris Agreement established the Global Goal on Adaptation (GGA) to encourage countries to take collective action on climate adaptation. At last year's COP27 in Sharm el Sheikh, Egypt, countries agreed on a framework for achieving these climate adaptation goals. That framework will likely be considered and adopted at COP28
- Global Stocktake: This is a two-year process for assessing the implementation of the Paris Agreement globally. The two-year process happens every five years and involves asking parties to the agreement to make more "ambitious" commitments to emissions reductions than agreed to in the previous five-year period.

TOP OF THE AGENDA

Why Are Some Republicans Pushing New Taxes And Higher Prices?

Here's a concoction whose toxicity conservatives instinctively recognize: new taxes, higher prices, punishing energy use, and giving foreign countries leverage over how the U.S. regulates.
And yet a handful of Republicans are promoting a policy idea that will lead to those very outcomes: carbon tariffs. A carbon tariff is a tax on imported goods. It would result in American businesses and consumers paying higher prices.

Sens. Bill Cassidy (R-La.), Lindsey Graham (R-S.C.), and Roger Wicker (R-Miss.) introduced legislation, the Foreign Pollution Fee Act (S. 3198), which would impose a carbon tariff. To his credit, Wicker quickly and wisely took his name off of the legislation.

There's also Senator Kevin Cramer's (R-N.D.) PROVE IT Act (S. 1863), which would standardize greenhouse gas emission measurement for various products in the U.S. and foreign countries, setting the stage for a carbon tariff.

CEI's Daren Bakst discusses the major problems with these bills and carbon tariffs in a new op-ed in The Hill.

IN THE SPOTLIGHT

House Passes the CARS Act

In a vote of 221-to-197, the House today passed the Choice in Automobile Retail Sales (CARS) Act (H.R. 4468).

Introduced by Reps. Tim Walberg (R-MI) and Andrew Clyde (R-GA) and supported by the Competitive Enterprise Institute, the bill would prohibit the Environmental Protection Agency (EPA) from finalizing its proposed vehicle emissions rule that would limit what kind of cars Americans can buy. The CARS Act would also amend the Clean Air Act to prohibit the agency from mandating the use of any specific technologies or limiting the "availability of new motor vehicles based on the type of new motor vehicle engine in such new motor vehicles."

The EPA trying to restrict freedom and consumer choice in this manner should be chilling for all Americans.

Plus, consumers don't want EVs. Auto dealers have been making this clear to the Biden administration, explaining that EVs are languishing on lots. Given all of the problems with EVs from high costs to their limited range, this is perfectly understandable.

In his statement on passage, CEI's Daren Bakst said

> Reps. Walberg and Clyde should be commended for introducing and securing passage of the bill, and I urge their counterparts in the Senate to swiftly pass the measure to ensure the EPA's attack on consumer choice is killed once and for all."

Cold Truth about Government Pushing Electric: Natural Gas is Much Cheaper

The Department of Energy (DOE) has repeatedly documented that using natural gas in homes is far cheaper than using electricity. The Energy Information Administration (EIA) recently released its Winter Fuels Outlook. This document addresses possible scenarios for the cost of various sources of heating this winter.

EIA's analysis sheds light on what we should be watching for winters ahead. Energy expert Robert Bryce, points out that for the coming winter, electric heating for households is projected to cost 77 percent more on average than natural gas. The discrepancy is even steeper for the Northeast in particular, where electric heat is projected to be 92 percent more expensive than gas.

This hasn't stopped the Biden administration from trying to limit the use of natural gas in homes or some state and local governments from proposing and passing bans on natural gas hook-ups for new residential construction. If grid capacity doesn't expand at the same time as more homes and businesses move to electric heating, the mismatch in demand and supply may only become apparent during a time of grid stress—namely very cold days.

Wall Street Journal Reports Consumer Frustrations With Over-Regulated Appliances

2023 is turning into the year of bad appliance regulations. Since January, CEI has submitted comments critical of proposed Department of Energy (DOE) efficiency standards for dishwashers, washing machines, stoves, and water heaters. Meanwhile, earlier rules for air conditioners, furnaces, and light bulbs took effect this year.

All threaten higher prices and reduced product performance, but perhaps worst of all are the proposals to tighten the already-strict energy and water use limits for dishwashers and washing machines.

A November 24 Wall Street Journal article by Austen Hufford, "Why Does My 'Efficient' Dishwasher Take a Zillion Minutes for a Load?", documents the struggles many consumers face from these standards as well as the lengths some must now go to get their dishes and clothes clean.

The most noticeable defect is the big increase in the time it takes to do a load of dishes. The article cites data compiled by CEI showing cycle times rising from 70 minutes in 1983 – before the multiple rounds of successively tighter dishwasher standards took effect – to 160 minutes this year. Even DOE admits that its regulations are the culprit, noting that "[t]o help compensate for the negative impact on cleaning performance associated with decreasing water use and water temperature, manufacturers will typically increase the cycle time."

CEI's Ben Lieberman details more and provides recommendations in his new article.

The Latest On Nuclear Power Bans: Illinois Poised To Take An Important Step

Earlier this year, both Illinois state chambers, through a supermajority vote, passed a bill to remove Illinois's ban on new nuclear power plants. The bill would have allowed for all advanced reactor designs to be built in the state, including larger reactors.

The bill was ultimately vetoed by Democratic Gov. J.B. Pritzker.

Although lawmakers didn't overturn the veto during the veto session this fall, the bill sponsor, State Sen. Sue Rezin (R) put forward a new, less expansive version of the vetoed bill.

This new version of the bill allows for the construction of small modular reactors up to 300 megawatts, starting in 2026. However, it excludes larger reactors, over 300 megawatts.

During the veto session, this new bill successfully passed out of both chambers with supermajority votes, and Pritzker said that he will sign it into law.

FEATURING OUR FRIENDS

Beware the SEC's Creation Of 'Natural Asset' Companies

In her new op-ed piece for RealClear Wire, Margaret Byfield points out:

> On September 29, the SEC, at the request of the NYSE, proposed a rule that would create an entirely new type of company called a Natural Asset Company (NAC). NACs, according to the Proposed Rule, "hold the rights to ecological performance."
>
> These companies would be given license to control lands, both public and private, and would be required not to conduct any "unsustainable activities, such as mining, that lead to the degradation of the ecosystems." In effect, this means that these companies would somehow seek to profit off the lands without using the lands. Whatever they do, it must be "sustainable"...
>
> If this Proposed Rule is finalized, private investors who have neither America's best interests nor the public's economic well-being in mind, would be handed both. They would control our lands and profit from them at the same time.

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