The Daily Dish

Climate, Carbon and Conflict

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To listen to the polarized commentary over the constellation of issues raised by the Russian invasion of Ukraine, high oil and gasoline prices, and reports on climate change, one might be tempted to think that there are only two options: (a) stop paying attention to climate, go full-bore on domestic oil and natural gas production, and weather the fallout from the Russian war effort, or (b) maintain fealty to greenhouse gas emission goals, back the Ukrainians, and resign oneself to the stagflationary headwinds in oil markets. There are a number of problems with framing the issues this way.

First, one hopes that the time scales on the war and climate change are radically different (war being shorter). Given that, one should have a climate strategy that is robust with respect to shorter-run policy tradeoffs. The fact that these policies currently appear to be in such conflict is a tipoff that something is not structured right.

Second, there has been an enormous amount of research indicating that fossil fuels will remain in the energy mix for the foreseeable future and that natural gas will be the cleaner greenhouse gas serving as the bridge to a clean energy future. The demonizing of carbon fuels is a signature of the Biden Administration approach, is at odds with this research literature, and brings the climate policy into conflict with the realities of global oil market disruptions.

As an addendum, the Biden transition timelines are unrealistically short. No serious analysis produces a nationwide, zero-emissions electricity grid in 15 years.

Third, it is a reality that it will take enormous U.S. leadership to get the globe interested in addressing global climate change. Given that it will be necessary to figuratively stick one's neck out, it better be the case that the downside economic risk of doing so be manageably small. Picking an all-or-nothing bet on clean electricity transmitted nationwide on a yet-to-be envisioned nationwide grid and distributed in completely innovative ways to be used in not-yet-built electric vehicles, factories, and houses is anything but that.

The problem is not that the United States has embarked on a climate change policy and unexpectedly faces the challenge of a Ukrainian incursion. The problem is that the United States has the wrong climate policy.