## The Daily Dish

# September 1st Edition

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A new report out by Institute for Energy Research finds that the president's Clean Power Plan will raise electricity bills by 16 percent. According to the report, “President Obama is making energy prices escalate due to stringent environmental regulations being promulgated by the EPA.” This is inline with AAF’s findings that the plan will kill 125,800 jobs and is part of a regulatory regime leading to a 48 percent decline for the coal industry by 2030.

When the Senate returns to business this month, Majority Leader McConnell plans to cut a deal to avoid a government shutdown. According to the Senator, “The Senate Democrats have a big enough number to prevent us from doing things. They prevented us from doing any of the bills that appropriate money for the government, thereby forcing a negotiation when we go back in after Labor Day…” With limited legislative days before September 30, the Senate will have to get to work quickly cutting a deal with the White House.

***Eakinomics: Over a Global Barrel?*** *Guest Authored by Kim VanWyhe, AAF Director of Energy Policy*

August shook up the international oil and gas industry in a unexpected and unpleasing way leaving many people questioning “what’s next?” &nbnbsp;

Brent, the international benchmark for global crude oil, ended at $45.10 a barrel on Friday August 21st, the lowest since March 2009.

Many consumers see these low oil figures and breathe a sigh of relief as they associate it with cheaper prices at the pump. While few are complaining about the low price of gas, the fact that difficult times may be looming due to the low price of oil should not be ignored.

A lingering low price of oil has implications for the U.S. and global economy, including a reduction in drilling activity. When the price of oil becomes so low the most cost effective thing to do is to keep it in the ground. In a recent article, the Financial Times noted that “The world’s biggest oil companies have slashed spending and jobs while the budgets of producer countries have been decimated.” Last year, Chevron, for example, was forced to scrap a $10 billion dollar shale exploration project in the Ukraine in 2014 that would have made geopolitical waves by releasing some of the stranglehold Russia had over Ukraine. Offshore drilling companies have faced the same dilemma.

Demand has been stagnant and production, especially in the U.S., Saudi Arabia, and Iran, has been booming. Latin America, Asia and Europe have been in a lackluster growth period for quite some time and have lessened their demand as a result. Despite this unbalance, U.S. shale producers are holding their ground and will keep on producing despite these low prices and the ongoing storage and capacity issues they continue to have. The Energy Information Administration says supplies rose 2.6 million barrels to 456.21 million barrels last week.

Global players such as Saudi Arabia, Iraq and Iran are revving up their production which, coupled by the fact that non-OPEC production has curtailed over the last few months due to the dwindling price of oil, is a telling sign that the U.S. market share will probably see a major loss. It has been the modus operandi of OPEC to cut production when prices fall this low, this fast. In this case, Saudi Arabia and others are not halting production.

No one can predict when the price of oil will rise or if it will continue to be stagnant but it is imperative that we know what we are getting into if prices do remain low.

***Fact of the Day***

With as much as $14 billion in play, enabling the portability of Title I funds will better equip families when making decisions about the education provider that is in a student’s best interest.