Research

Convention Takeaways: Party Platform Differences in Energy Policy

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With the policy platform for both Democrats and Republicans recently finalized, it is an apt time to reflect on the key takeaways in the area of energy policy. The platforms presented at the conventions made it very clear that there are few areas of accord on energy policy.

Below are highlights of some of the stark differences in the Republican (RNC) and Democrat (DNC) party platforms.

"All of the Above" energy commitment

- **RNC:** While the policy platform favors fossil fuels and specifically left out solar and wind, the platform includes renewables in an "all of the above" approach. This proposal to further incorporate a broader mix of energy sources is a positive step forward in diversifying the power flowing into the energy grid while developing the technologies needed for cost efficient renewables. The platform states: "We support the development of all forms of energy that are marketable in a free economy without subsides, including coal, oil, natural gas, nuclear power, and hydropower." We encourage the cost-effective development of renewable energy sources—wind, solar, biomass, biofuel, geothermal, and tidal energy—by private capital.

- **DNC:** The "all of the above" energy commitment was stricken from the platform before it was even formally adopted under pressure from anti-fracking and climate groups. The party is now calling for the U.S. to run solely on clean energy by 2050, with 50 percent of all electricity coming from clean energy in the next 10 years. Currently the U.S. gets 67 percent of its energy through fossil fuels and only 7 percent from renewables therefore completely eliminating fossil fuels in the U.S. is a lofty goal.

An all of the above energy plan is needed to maintain low energy prices. Eliminating fossil fuels will cost billions in revenue, not to mention hundreds of thousands of jobs.

Clean Power Plan

- **RNC:** The Clean Power Plan (CPP) — the centerpiece of the president's war on coal — has been stayed by the Supreme Court. The RNC platform states that they will do away with it altogether.

- **DNC:** The platform cites that Democrats are committed to defending, implementing, and extending pollution and efficiency standards, including the Clean Power Plan.

The CPP will shutter both coal and nuclear plants which will result in countless job losses and will leave the U.S. with less diverse energy supplies. A previous American Action Forum study shows the rule will result in

the loss of 125,800 jobs which is 50,000 more than the Environmental Protection Agency (EPA) predicted. A separate analysis from the Energy Information Administration (EIA) found the CPP would increase consumer electricity costs by a peak of 4 percent, and have a macroeconomic impact of reducing GDP by 0.15-0.25 percent from 2015-2040. This would have a total cumulative impact of around $1 trillion.

Coal Communities

- **RNC**: The RNC platform states that the Democratic party does not understand that coal is an abundant, clean, affordable, and reliable domestic energy resource. Those who mine it and their families should be protected from the Democratic party's radical anti-coal agenda.

- **DNC**: The DNC platform states that the fight against climate change must not leave any community out or behind—including the coal communities.

Coal is an essential part of our energy mix. Eliminating this vital industry would be a costly choice. The Obama Administration has already placed a moratorium on new coal leases for federal lands, and a previous American Action Forum study shows that since President Obama took office, over 180,000 miners have lost their jobs which equates to over $9.7 billion in lost wages. The coal industry contributes nearly $65.7 billion to the national GDP. Over 10 years, the U.S. will see a loss of over $650 billion due to harmful policies and regulations.

Energy Subsidies

- **RNC:** The RNC platform states the government should not play favorites among energy producers. "The taxpayers will not soon forget the current Administration's subsidies to companies that went bankrupt without producing a kilowatt of energy."

- **DNC:** The DNC platform states the tax code must reflect a commitment to a clean energy future by eliminating special tax breaks and subsidies for fossil fuel companies as well as defending and extending tax incentives for energy efficiency and clean energy.

Dictating energy markets is an unhealthy and impractical solution to our diverse and growing energy needs. A previous study by the American Action Forum shows the Energy Information Administration's (EIA) assessment of energy subsidies found in FY 2013 the U.S. government spent $29.2 billion on energy subsidies. Of this, about $3.4 billion (11 percent) went to fossil fuels, $12.6 billion went to renewable energy (43 percent), $1.6 billion went to nuclear power (5 percent), and the rest went to conservation and low-income assistance. Solar and wind power took the lion's share of subsidies, amounting to 64 percent of all electricity production subsidies, far exceeding other forms of energy in both direct subsidies and tax credits.

Rejecting the Paris Climate Accord:

- **RNC**: The platform states "We reject the agendas of both the Kyoto Protocol and the Paris Agreement, which represent only the personal commitments of their signatories." It goes on to say that the commitment is nonbinding until it is ratified by the Senate.

- **DNC**: The DNC platform states they intend to reduce greenhouse gas emissions more than 80 percent below 2005 levels by 2050 as well as meet President Obama's landmark Paris Agreement pledge.

A previous study conducted by the American Action Forum shows that the agreement does not specify how the U.S. should achieve its proposed targets. If America uses a regulatory approach the burden would be $38-45 billion/year. A market-based mechanism would likely be far cheaper.

Conclusion

The respective party platforms illuminate the issues separating the two parties. The RNC approach is to allow market incentives to dictate the supplies to the energy grid. In contrast, the heavy regulation and central picking of winners advocated by the DNC will result in substantial economic turmoil by eliminating industries and shuttering job creation and economic growth.

[i] http://www.scientificamerican.com/article/republican-platform-rejects-paris-climate-agreement/