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What is our energy future?

Debate continues across the U.S. on our nation's energy future. What is our best energy policy going forward?

Few doubt that energy has improved lives and enabled human progress. Yet, one of the biggest challenges facing the world is the polarized debate over energy's future. Facts and economics are too often replaced with assertions and emotions. Discussion about fossil fuels and alternative energy sources often degenerates into a battle to delegitimize the other side. This is a recipe for inaction. And it keeps billions of people trapped in energy poverty.

Several factors contribute to a higher standard of living, but one of the most important is access to reliable, inexpensive energy. Affordable energy is essential for almost every aspect of modern life. Affordable energy is needed to run the hospitals and laboratories that improve our health. It is required to deliver electricity to our homes and put fuel in our vehicles. And it supports the millions of jobs associated with all of these things.

Concerns about carbon. In general, the most affordable energy comes from fossil fuels—oil, natural gas, and coal. Burning fossil fuels to generate electricity, or provide power, necessarily releases carbon dioxide (CO₂) into the atmosphere. Carbon dioxide is a gas we exhale every time we breathe. Erupting volcanoes, decaying trees, wildfires, and the animals on which we rely for food all emit CO₂. This by-product, essential for plant life and an unavoidable aspect of human life, is at the center of today's climate change controversies.

Those who believe that increased CO₂ emissions inevitably lead to global warming believe this change is directly attributable to the widespread use of fossil fuels. Because they believe further warming will have catastrophic effects, they have waged a war on carbon for many years. They advocate restricting carbon-based fuels in favor of subsidized alternative energy and encourage policymakers to make fossil

fuels more expensive, in hopes of discouraging their use.

Beware of crocodile tears. We often see ideas for energy policy driven by a zero-sum game philosophy for energy, which says that we must have less fossil fuels, so that we can have more of something else. There are many examples of state energy plans that fail, because they start with a preferred energy source and work backwards. Many such energy plans have an agenda-driven framework to assess carbon risk, all leading to some kind of green standard, often referred to as "sustainable."

All too often, state and federal proposals to establish some kind of green standard have much more to do with raising revenue than helping our environment. For those who prefer higher taxation to spending cuts, having an entirely new source of revenue is appealing. However, taxing carbon only takes more resources from the private sector to support swelling state and federal government.

The result is that average households would have to pay significantly more for goods and services. Such price hikes can only mean lower standards-of-living and less opportunity. Families that spend a bigger portion of their household income on transportation, utilities and household goods are hurt, not helped, by carbon tax schemes that make traditional forms of energy more expensive.

If the goal is really to reduce emissions, it's worth noting that we already are doing a good job of achieving that goal. Just a few years ago, no one would have imagined the U.S. could increase oil and gas production while cutting greenhouse gas emissions, which are now near 25-year lows.

According to the U.S. Energy Information Administration (EIA), the U.S. emitted 23% fewer energy-related carbon emissions in 2015 than in 2005. And the latest EIA *Short-Term Energy Outlook* (STEO) showed energy-related carbon emissions decreased 2.1% in 2019 and

are projected to decrease 2% in 2020 and 1.9% in 2021. Even more interesting, U.S. carbon emissions dropped while emissions from energy consumption for the rest of the world increased 1.6%. The EIA projects U.S. energy-related carbon emissions in 2050 will be 4% below their 2018 value. This downward trend is occurring, even as U.S. oil and gas production grows dramatically.

EIA data also show that natural gas is responsible for 2.8 billion metric tons of CO₂ emission reductions since 2005. That represents 61% of overall power sector reductions during that timeframe and 57% more than reductions attributable to renewables. The U.S. oil and gas industry has proven that over the long-term, we can lead the world in energy production and environmental stewardship.

A better way. As the industry has shown, there is a better way. Our nation and states should use our abundant energy resources to lift people up, which is different than a philosophy of embracing a zero-emissions world. A rational, data-driven, common-sense approach to energy policy is what our states and nation require. We need energy policy based on science, the free market, and entrepreneurial spirit. The key is to avoid placing unnecessary political or legal obstacles in the way of innovation and expansion.

An American energy policy that values innovation over regulation can turn energy policy challenges into great opportunities for economic growth and energy security. This approach is not just good business, it's good stewardship and a much better strategy for improving the quality of life for all. **WO**

■ EDWARD CROSS has served since 2003 as President of the Kansas Independent Oil & Gas Association, responsible for public policy advocacy and interaction among government officials and community leaders. Mr. Cross is active in IPAA, IOGCC, Domestic Energy Producers Alliance and Council for a Secure America. He also serves as an advisory board member to the Chemical & Petroleum Engineering Department at the University of Kansas. In November 2018, Mr. Cross was a finalist for the 2018 *Petroleum Economist* energy executive of the year award. He is a licensed professional geologist and holds a B.S. degree in geology and an M.B.A. from Southern Illinois University.