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Letters

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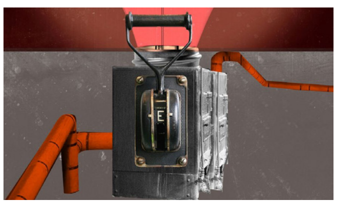
Biden's Stopping Domestic Energy

by Steve Milloy, Senior Policy Fellow
As appearing in *The Washington Time*



As if we didn't know for certain already, serving the climate cult is a higher priority to the Biden administration than helping Americans or our allies. Last month, President Biden announced in a teleconference with Energy Secretary Jennifer Granholm that all current and future liquefied natural gas export application approvals are on hold until further notice.

The pause immediately affects 11 projects awaiting Department of Energy approval after already going through the Federal Energy Regulatory Commission's lengthy approval process. If six other projects that have yet to complete FERC reviews go forward, they would likewise be put on ice as long as the order stands. And that's likely to remain in place beyond the November election.

"While MAGA Republicans willfully deny the urgency of the climate crisis, condemning the American people to a dangerous future, my Administration will not be complacent," the official Biden statement read. "We will not cede to special interests," he added in ceding to the special interests of extremist environmentalists and their demands. Activists waged an intense campaign with dozens of environmental groups imploring Ms. Granholm to reject the LNG development "for the sake of our climate and communities."

In December, a letter from 170 scientists (whose qualifications in science and energy include being a health care provider, a business owner, something called a science communicator, an epidemiologist, and an aerospace researcher) asked Mr. Biden to reject pending LNG facilities.

Perhaps Ms. Granholm forgets that she referred to Russian gas in 2021 as the "dirtiest form of natural gas on Earth." Maybe she missed the Department of Energy-sponsored study that found that the gas Europe buys from Russia produces as much as 22% more greenhouse gas emissions than European Union coal and that

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In This Issue

Is the Electric Car Market Collapsing or Cooling?

by Katie Grimes, Senior Media Fellow
As Appearing in the *California Globe*

'Other reasons beyond price tarnish the EV spit shine, blinding many EV drum beaters'

The electric car market is cooling – in fact, many say it is downright chilly.

"Electric vehicle sales have hit a tipping point," Yahoo Finance reports. "Research firm Kelley Blue Book (KBB) finds that US EV sales in the third quarter crossed 313,000, nearly a 50% increase from a year ago, with EV market share hitting 7.9% — its highest-ever level. But this milestone might not be good enough for automakers spending billions on an EV transformation."

EVs are much more expensive, costing significantly more to own than a hybrid, require electric charging, have range limitations, and require electricity to charge on an already taxed electrical grid – whereas hybrid vehicles reduce the use of fossil fuels while lowering emissions in the short term.

Ford and even Tesla are dialing back EVs. "GM is scrapping its target of producing about half a million new EVs by the middle of next year, Ford extended its timeline to hit a goal of 600,000 EVs a year, and even Tesla sees demand softening."

Because of the expense, and charging issues, electric cars have become a harder sell. "If it doesn't have a motor, it's going to be a problem," a car expert told the Globe. "That's what makes hydrogen such a viable source – no batteries." (That's another article at another day…)

Last week, Hertz Car Rental company announced that it plans to sell off 20,000 of its electric vehicles, including Teslas, write off a $245 million loss, and buy more gas-powered vehicles. It seems that travelers aren't crazy about electric car rentals. A friend reported when he and his wife traveled to Hawaii for vacation, the car rental agency only had electric cars available. Begrudgingly they accepted one. However, they were never able to find a charging station and quickly returned the car to Hertz. The car rental agency acknowledged there were no charging stations on the island except at the rental car location.

This is what forced consumption of a product by government looks like.

Buick

General Motors announced in late December that nearly half its Buick dealers opted for buyouts rather than invest in selling and servicing electric vehicles as the automaker's brands transition to all electric by 2030, Detroit Free Press reported in December.

"That means GM will end 2023 with about 1,000 Buick stores nationwide, down 47% from where it started the year. Late last year, Buick said it would be asking dealers to commit a minimum investment of $300,000 to $400,000 to prepare their stores to sell and service EVs."

The issue was that Buick expected its dealers to commit a minimum investment of $300,000 to $400,000 to prepare their stores to sell and service EVs. Instead more than half of the dealers said no.

Ford

50 Percent Of Ford Dealers Opt Out Of EV Sales For 2024, read the headline by Ford Authority in December. "Since it announced the Model e Certified program last year, Ford has dealt with its fair share of backlash related to this new EV sales program, which Ford dealers were given the chance to either opt in or out of."

"According to FoMoCo, around 1,550 Ford dealers in the U.S. – around half – have chosen to opt out of the EV sales program in the coming year, compared to the 1,920 dealers that opted in roughly one year ago."

With the high number of Ford dealers deciding to opt out of the EV market, Ford is dialing back planned EV investments.

Volvo

Volvo (owned by China's Zhejiang Geely Holding Group) pulled the plug on its electric vehicles. "Volvo has announced that it will no longer fund Polestar, although the two brands will continue to collaborate on manufacturing and R&D," Car and Driver reported Thursday. "Volvo and Polestar are breaking up—financially speaking, that is. The news comes after Volvo announced it will no longer fund Polestar, which features a slowly expanding all-electric lineup. Instead, Geely, the Chinese automotive giant that owns both brands, will now provide full financial and operational support to Polestar going forward."

Car and Driver tells us more about the Polestar and Volvo EV market:

"While Volvo won't be giving Polestar money anymore, the two will continue to collaborate on activities including manufacturing and R&D. Of course, Volvo also has the benefit of selling cars and SUVs with internal-combustion engines along with its upcoming EVs such as the EX30 and EX90.

"Meanwhile, Polestar exclusively sells EVs, which are currently seeing a decline in sales around the

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Crocodile tears about 'sue and settle'

by Greg Walcher, Senior Policy Fellow
As appearing in *The Daily Sentinel*

House Republicans were so upset that they held two committee hearings during 2023, and in November the Committee on Oversight and Accountability announced that it will investigate the EPA's "use of secretive 'sue-and-settle' practices." The chairman says the EPA uses the tactic "to avoid congressional oversight" and implement policies that special interests want.

Letting outside groups sue the government to compel enforcement actions dates from the Nixon years, and during the Reagan era became a favorite tactic of the environmental industry. During the Clinton administration, several agencies discovered they could use outside groups to file "friendly lawsuits," requiring them to do what they wanted to do anyway, thereby short-circuiting all sorts of administrative hurdles. Convincing friendly groups to litigate was easy — the government would agree to pay their legal fees as part of the settlement. The result would be a court "consent decree," its details and costs often sealed from prying eyes.

Now, some Republican congressmen have even introduced a bill, the "No Regulation Through Litigation Act" to put a stop to it. And they want hearings, though apparently there is plenty of time to discuss this over the next few decades before acting on it.

James Varney wrote an excellent analysis for RealClearInvestigations, explaining that the practice, which was implemented on steroids by Obama officials, with more than 2,260 such settlements during his second term, just at Interior and the EPA. Trump appointees blocked the practice, but not for long. Varney writes that "Under Biden's Lawfaring Eco-Politics, It's Back."

He cites a classic example. "When the Biden administration announced in 2022 that it would remove some four million acres of federal land (in Colorado, Wyoming, and Utah) from oil and gas exploration, environmental groups hailed the decision." He quotes one environmental industry leader gushing, "this is a critical opportunity for the Biden administration to chart a new path toward clean energy and independence from fossil fuels." Turns out the decision was made to settle a lawsuit filed by the very same organization cheering — and benefiting from — the "settlement." Congress did not change the law requiring leasing of those lands; nor was Congress even informed of the resulting "consent decree."

The same tactic was used to wall off six million acres of the Gulf of Mexico from exploration. Congress didn't change the law there either. The agency quietly agreed to the ban to settle a lawsuit brought by environmental industry groups, and paid their legal fees. The reality is that Congress would never be able to muster majority votes for such fundamental changes in America's economy. So, these groups and their allies in government use the court process to make major policy without any elected official involved. No need for public involvement, depending on who one considers to be "the public." The environmental litigators, of course, see themselves as the voice of the public. One official says the "sue and settle" system "serves the public interest," explaining that it provides "the public direct opportunity to influence the scope of federal rules and safeguards." But no public ever elected him, and those who were elected were not consulted. In America, public servants are elected, not self-appointed.

It should be clear that "sue and settle" is a means to advance an agenda that is specifically not approved by voters and their representatives. And it's not just "back," it's bigger than ever. Legal fees in these settlements in just one agency (EPA) have doubled in the last two years, according to OpenTheBooks. EPA officials won't answer questions about the numbers, and Congress won't force them. The EPA faces hundreds of such lawsuits all the time, with the outside "friendly" groups filing environmental lawsuits at the rate of three a day.

Don't worry, though, Congress is about to investigate. As long as they don't have to talk about solutions. Varney says he contacted numerous congressmen on the oversight committees, all but one of whom declined to answer, Virginia Rep. Bob Good, calling the tactic unconstitutional and railing that the administration is "weaponizing the government against the people," but not predicting any legislative response. Congressmen complain about the revolving door between the agencies and these legal firms and interest groups. But what will lawmakers do?

The answer is suggested by the fact that 183 congressmen and senators are lawyers, including 16 judges and 32 district attorneys; 434 were previously government employees; 264 were state legislators; 77 were former congressional staffers. People have little incentive to change a system of which they are an integral part, and from which they earn a profitable living. ❒

Is California's Electric Grid at Risk Due to Regulatory Compact?

by Tom Tanton, Dir. of Science and Technology
As appearing in the *California Globe*

California's transition from traditional generation to renewable energy will cost in excess of $3 trillion

The U.S. National Academy of Engineering has named construction of the vast U.S. electric power grid the 20th century's most important achievement. From huge hydroelectric projects and massive generation facilities capable of powering large cities, to transmission lines climbing over mountain ranges and individualized distribution lines delivering electricity to nearly every single American household and factory floor, the grid epitomizes the promise of creative cooperation of people and organizations with different interests over decades. It is unlikely to have succeeded if not for a "regulatory compact" that today is unfortunately at risk.

The relationship, this regulatory compact, between regulators and utilities is an agreement whereby government grants exclusive service territories, a local monopoly, while managing rates in a manner that provides an opportunity for a reasonable return on investment. In exchange, utilities submit their operations to full review and regulation. While this is not a single signed contract, it is the rule of the road between regulator and utility, and importantly, for the investment community which serves as the source of capital to finance this vast undertaking. The investment community is of course quite diverse, ranging from Wall Street heavy hitters to schoolteachers and public service retirees who collect a pension. The latter depend on the regular payment of dividends and stability of stock price, long and historically the hallmark of utility stock.

Today, as California embarks on an ambitious program to replace traditional generation with renewables, and replace essentially all fuel consumption with electricity, they will need the active involvement of the investment community. The cost of this transition is in excess of $3 trillion with perhaps 60% representing transmission and requisite storage to manage the renewables' indeterminacy of output. The regulatory compact will need to be strengthened, not weakened, if this effort has any chance, but the recent actions of Pacific Gas and Electric (PG&E) are working counter to this effort.

The dominant utility in northern California, PG&E is responsible for the majority of transmission and distribution in the area and maintains a virtual monopoly over such. But while it is still subject to regulation, PG&E's behavior and corporate decisions coupled with deficient oversight by the California Public Utilities Commission (PUC) led to a series of devastating wildfires in the late 2010s that destroyed more than 23,000 homes and businesses, killed more than 100 people, and sent the company into Chapter 11 bankruptcy.

Yet while PG&E has paid more than $25.5 billion in restitution to communities affected by wildfires and to the utility's hedge fund creditors – largely using ratepayer taxes from the California Wildfire Fund – the company and its leadership have done nothing to compensate equity investors who were harmed by the negligent activity of management. Public pension funds, including those representing first responders and schoolteachers were some of those heavily affected by this failure and have been denied relief in PG&E's Bankruptcy by this serious oversight.

As a result, a lawsuit seeking compensation has been filed that among other things asserts that the company's executives and directors failed to update critically failing infrastructure which led to the wildfires and shareholder losses, and that the company was not transparent and was not engaging in proper reporting and keeping investors properly informed about ongoing operational risks. The fact of the matter is when these public pension funds invested in PG&E a contract was entered into where public pensions investing in PG&E expecting a reasonable rate of return that may have lagged the broader market but would be stable and predictable. Negligence that led to wildfires violated this contract and has left these investors with heavy losses and should not be allowed to stand.

Holding leaders at PG&E, as well as the PUC, to account for the actions that led to these failures will also be critical to ensure such incidents don't happen again and to ensure that California can continue to move its power grid forward with access to investor capital under favorable terms. The green transition that the PUC and many leaders in Sacramento are pushing will take money from outside investors as taxpayers can't foot the bill alone. But if these investors are not compensated for their losses due to negligence it will be increasingly difficult in the future to secure outside funding. The alternative could be the continued aging and degradation of our critical grid or paying extra for our transition to a 'clean grid.'

Taking all of this into account, CA's policy makers must make sure PG&E and the PUC are acting in a responsible manner and that all parties affected by this failure of leadership receive restitution. Not only will it help them achieve their objectives of incorporating more renewable energy into the grid, but it is also the right thing to do to ensure that first responders are taken care of in retirement through financially sound pension funds. ❒

Do fish understand environmental justice?

by Greg Walcher, Senior Policy Fellow
As appearing in *The Daily Sentinel*

Southerners have enjoyed shrimp and grits for generations, New Englanders have their clam chowder, Marylanders their crab cakes, and Cajuns their crawfish etouffee. Oysters Rockefeller is a century-old tradition, while calamari, sushi, and ceviche are more of an acquired taste, but growing in popularity.

Thankfully, all those fish no longer need worry about social justice, as the Biden administration unveils its new initiative to "Integrate Principles of Equity and Environmental Justice in Federal Ocean Activities." Whew! People who depend on the ocean for their livelihoods, and we who enjoy the fruits of their labors, have been worried about this for years. This was a delicate balancing act for any administration, but the current leaders apparently have it figured out.

You see, the primary aim of the officials involved in this initiative is to mitigate climate change by putting a stop to commercial fishing. We can't have fishing boats just roaming around out there willy-nilly while burning marine fuel. Limiting their catch might help preserve the future of the fisheries and their species, but it doesn't do anything about carbon dioxide in the atmosphere. These boats must be banished from the brine, and the communities they hail from transitioned to some greener industry. But there is a problem with that, and thus the need for balance.

Namely, some of the commercial fishermen and communities that will suffer from such a ban are minorities. Or as the White House press release puts it, "because of historic injustices and underinvestment some communities are hit harder by devastating climate change impacts." According to the accompanying report, that means "Ocean communities with a significant proportion of people who are Black, Latino, Indigenous and Native American, Asian American, Native Hawaiian, or Pacific Islander," as well as people who are poor, or "communities with a significant proportion of people who experience persistent poverty or other forms of social inequality."

Does that mean the government plans to banish white or middle class fishermen and give permits only to minorities and the poor? Well, no. It hints instead at a distribution of funding to "transitional" communities, heavily weighted toward minority communities. But when you get into the details of the report upon which this announcement was based, it has an array of general statements about the "environmental justice" problem, but a series of proposed solutions that have nothing to do with that.

Shutting down economic activity they depend upon can hardly be seen as progress by such communities, obviously. But in describing the "ocean justice" initiative to the UN climate summit, White House Council for Environmental Quality Chair Brenda Mallory said the purpose was "to advance environmental justice" for communities that rely on the ocean and Great Lakes. What exactly is being "advanced?"

The government agrees with commercial fishing groups that offshore wind turbines and transmission lines could disrupt marine ecosystems. So, no more wind machines? Wrong again. The administration is still pushing for massive offshore wind facilities, not only along the entire East Coast, but California, too. And the White House says that will "improve the well-being of people in communities connected to the ocean." How will it accomplish that if those communities are to be disconnected from their livelihood because of it?

The White House report acknowledges that "many communities that live near the ocean, depend on marine resources, or are part of the ocean economy face unique circumstances that exacerbate their existing challenges and prevent equitable access to the benefits the ocean provides." Benefits officials now propose to deny these communities by restricting fishing. So, if it isn't really about social justice, what exactly does the report propose?

Here is the action plan: Massive federal funding ($463.3 billion), 40% of which will be paid to "disadvantaged communities;" Massive (45 gigawatts) new offshore wind capacity; "Conservation" of at least 30% of U.S. waters, locking them up from commercial activity; "nature-based solutions" (unnamed but not fishing) to address climate change and "support" local communities; and zero greenhouse gas emissions by 2050, including banning gas-powered boat motors.

No wonder a community spokeswoman says the strategy "ignores the critical connection between seafood production and marginalized populations" and "totally fails to recognize that the fishing industry is an extremely important source of employment and cultural heritage" in the same communities these "environmental justice" policies pretend to help.

These communities apparently do not appreciate all this activity on their behalf. Nor do the fish, who don't seem to know the demographics of the person on the other end of the hook. ❒

Biden's Closing the Valve on Domestic Energy (Cont.)

American LNG shipped to Europe produces up to 56% fewer emissions than EU coal.

According to another analysis, the emission intensity of Russia's substandard oil and gas products is nearly double the industry average. But if Ms. Granholm's goal was to leave a larger carbon footprint while cutting America out of the picture, then mission accomplished.

While freezing LNG export projects was an unprecedented move, waging war on domestic energy production is nothing new for this president. In 2019, then-candidate Joe Biden declared, "I guarantee you, we're gonna end fossil fuel."

Since taking office, he has worked to make good on the pledge, starting with killing the Keystone XL pipeline on his inauguration day, along with 26,100 direct and indirect jobs that would have come with the project. Hypocritically, Mr. Biden supported the Russia-to-Germany Nord Stream 2 natural gas pipeline.

Mr. Biden has continued his assault by halting new oil and gas drilling on federal land, rejoining the Paris climate agreement (mandating greenhouse gas emission reductions that don't apply to China), imposing rules increasing the cost of oil and gas production, and mandating a transition to electric vehicles. While none of these policies have or will ever lower the Earth's temperature by any measurable amount, they have driven up Americans' utility and transportation costs.

After decades of climate predictions that never come true, and as Americans learn how the push for green energy is all pain and no gain, they're no longer on board with the "climate crisis." A new poll reveals that 45% of Americans 18 to 34 wouldn't be willing to pay more than $10 a month to combat climate change, including 1 in 5 young voters stating they wouldn't pay a single dime. Only 18% are willing to donate between $1 and $10 to fight it.

It's also important to note that at a time when new NATO ally Finland has courageously pledged to ban Russian LNG imports, the Biden administration is banning American LNG exports to Finland and the rest of Europe. And shutting down American LNG exports rolls out the red carpet to increase European gas imports from Russia.

"The U.S. is committed to affordable energy and economic opportunities for all Americans," Ms. Granholm said in announcing the LNG project ban, disingenuously adding, "We are committed to strengthening energy security here in the U.S. and with our allies."

America and its allies need natural gas, not gaslighting. ❐

EV Market Collapsing? (Cont.)

globe. Being an all-electric brand with a tiny lineup (right now, the Polestar 2 is the only model sold in the U.S.) as well as a slow rollout of new models has caused the company to struggle."

Electric vehicles versus hybrids Kelly Blue Book did a thorough analysis of Hybrid vs. Electric Cars, and concluded that Hybrids make more sense. "Although EVs may well be the long-term solution, it seems they could be a short-term disaster," they report. "Based on current realities, hybrid vehicles reduce the use of fossil fuels while lowering emissions in the short term."

They offer pros and cons of hybrids and EVs, and conclude that EVs are NOT the most sensible tool for reducing fossil fuel usage while cutting harmful emissions. "Rushing headlong into force-feeding EVs to the public invites short-term disaster." Kelly Blue Book reports on the 5-year cost to own projections.

Do Electric Vehicles Cost Less to Own?

"This is one of the biggest misconceptions about fully electric vehicles. No, they don't cost less to own in the first five years. It costs more to own an EV than a hybrid in that timeframe, even if some or all of an EV's inflated price difference is negated with a government tax credit or a rebate."...

Just imagine what the used EV market will look like in short order...

"China controls most of the world's cobalt, another rare metal critical to lithium-ion battery production. Chinese companies own the cobalt mines, primarily in the Democratic Republic of the Congo, extract the ore there, and then ship it to China. What could go wrong?" ❐

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