Discussion 13: The Future for American Energy Policy

An Energy Policy for America
- Domestic
- International

Domestic Ways to Deal with Oil Dependence
- Reduce consumption (Hydrocarbons)
  - Impose taxes on oil
    - Gas tax
  - Public Transportation
- Invest in alternative fuels
  - Ethanol
  - Solar
  - Wind
  - Biomass
  - Electric
    - Could be effective transportation fuel
  - Coal
    - Domestically available
    - “cleaner” now
  - Nuclear
    - Terrorism
      - Facilities protection
    - Dealing with waste
      - Yucca Mountain issue
    - Meltdowns
  - Many of these only affect energy generation for household use, etc and don’t have a large effect on transportation, etc.
- R & D and Innovation
  - Ways for the government to encourage innovation
    - MIT Biodesiel competition
    - National government agency
- Government Regulation
- State versus Federal Involvement
  - States have been getting involved at varying levels
    - Not necessarily a good thing because companies might just move to a state where regulation is less strict
    - Delaware effect
      - Race to the bottom
    - California Effect
      - The area is so desirable that it is worth it to conform to the standards
        - The most innovative companies want higher standards because they know they can surmount them

International problems in oil dependence
- Diversification of Supply
  - Expand number of suppliers
- Cooperate with China
  - Energy/climate
  - Climate
• Issues with the Middle Eastern Oil Supply
  o Stabilization
    ▪ Get out of the region or stay
    ▪ Trade relationships as incentives
    ▪ Military deterrents
  o Israel Support