

## **POLICY NOTE**

## Three Steps to Reducing Carbon Emissions Effectively

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## **Key Findings**

- Our state's climate policy has fallen into a cycle where exaggerated promises are adopted and then when they fail, politicians blame opponents. This cycle creates more partisanship and encourages even larger, less workable promises, and the cycle begins again.
- 2. There are numerous examples, including Seattle's failed carbon reduction targets, the governor's failed cap-and-trade proposal and Snohomish County's canolacrushing plant which has not produced any biofuel feedstock after several years.
- 3. Instead of trying to force lifestyle change, as many environmental activists have proposed, we need to emphasize a technology approach to improving energy efficiency. Technology allows people to choose their lifestyle in a way that is consistent with American ideals and environmental health.
- 4. Since the U.N.'s climate agency has repeatedly downgraded the risk from climate change, we can step back from the cycle of fail and blame and focus on some small, near-term successes to build political partnership and a focus on success, not symbolism.

As Governor Inslee and others recently traveled to Paris to tout their own climate credentials, our state's own climate policy is in shambles. The best way to describe Washington's approach on climate policy during the last decade is "fail and blame."

City of Seattle officials failed to meet their own carbon reduction targets and blamed oil companies, rather than its own flawed public policies.

In 2015, Governor Inslee failed to get even a simple floor vote on his cap-and-trade tax and blamed Republicans, even though it was House Democrats who killed his bill.

Instead of policy failure prompting an honest reassessment, it prompts a ramping up of the rhetoric and a hardening of positions, leading to more policy failure.

For example, despite saying we have no time to lose in addressing climate change, the governor refused to compromise on his plan, demanding billions of dollars in new government spending, and promising to kill any plan that did not include new taxes. Imposing a higher tax on people was more important than passing an effective climate policy.

Now the governor is doubling down, going around the bipartisan opposition to his plan and hoping to institute through regulation what could not be achieved through legislation. This is the wrong approach.

To break the cycle of fail and blame, we need to step back and find some simple, near-term approaches that can build bipartisan cooperation and get some simple wins. There are three steps we can take in this positive direction.

First, do no harm. The sad truth about most of Washington state's climate policies over the last 10 years is that they have actually increased carbon emissions or wasted millions on trendy projects that accomplished nothing.

For example, Snohomish County officials spent money on a canolacrushing plant that was to "power all of its diesel fleet on the locally grown biodiesel" by 2014. Currently the costly plant is producing nothing. The state's Clean Energy Fund made public loans to four renewable energy and fuel projects in Washington state. The record? Of four companies given loans, one company went bankrupt, another had loan repayments deferred to 2018 and a third suspended the project because prices fell dramatically.

The list of efforts that have actually harmed the environment is equally long.

We have written repeatedly about the fact that the state's "green" schools mandate is expensive and creates school buildings that, by the state's own accounting, actually increase energy use. Our analysis has also shown that subsidies for electric cars have gone overwhelmingly to the wealthy, people who do not need a subsidy to buy those expensive cars, yielding tiny environmental benefits at very high cost.

We support investments that reduce carbon intensity, often called "carbon offsets," but not all approaches are equal. The most recent example is a project, facilitated by the Washington Environmental Council (WEC), to pay for trees that are already growing in a forest, claiming they reduce carbon. This assertion is simply false. It violates a basic principle of offset projects, that they provide "additional" carbon reduction. Forestry projects like the WEC's don't do that.

The best way to use forestry to reduce carbon emissions is to harvest wood and use it to build houses in place of high-energy concrete or steel. University of Washington scientists have produced excellent research, showing a massive increase in carbon reduction with this approach.

The U.N.'s Intergovernmental Panel on Climate Change (IPCC), the U.N. agency the left used to call the "climate consensus," agrees, noting in 2007 that, "a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fiber, or energy from the forest, will generate the largest sustained mitigation benefit." Last month's U.N. climate conference in Paris offered carbon reduction investments to offset the emissions of attendees who traveled to the event. Not a single one of the U.N.'s recommended offsets is related to forestry.

Most dramatically, however, is Governor Inslee's proposed carbon regulation. The promised burden of that regulation was one reason Alcoa idled two aluminum plants in Washington. Not only has this closure cost hundreds of union jobs, it will push aluminum production overseas to plants that emit more carbon and increase damage to the environment.

Despite this obvious warning about the consequences of ill-conceived climate policy, the governor traveled to Paris to brag about his commitment to such destructive policies.

The governor and his Seattle environmental allies repeatedly claim we have no time to lose. But wasting money is wasting time and the opportunity to cut emissions. We have wasted a lot of both. This needs to stop.

Second, while many environmental activists say we must force a lifestyle change, improvements in technology is a much better approach.

Left-wing environmental groups argue we need to change our lifestyle to reduce climate change. Nationally recognized climate activists like Naomi Klein and Bill McKibben argue that we need to destroy the free market and move to a more planned economy. Bellingham activist John de Graaf wrote that "Lifestyle change [is] needed" to reduce carbon emissions.

This narrow mindset is widespread. For example, the taxpayer-funded King County Eco-Consumer Tom Watson lamented that people were choosing Car2Go rather than transit. He wrote "Governments and the public need to support public transit. If a new transportation option is resulting in people getting off public transit...that could be a problem." In fact, Car2Go, which uses extremely fuelefficient SmartCars can be more fuel efficient per person than transit. Policies that give people more freedom, however, regardless of environmental benefit, are automatically suspect on the left.

The simple fact is, policies that force people to change their lifestyle do not work and violate the basic American principle that people guide the government, not the other way around.

Technology, on the other hand, has done what efforts to force lifestyle change have not. America's carbon intensity has fallen dramatically, allowing economic growth even as carbon emissions fall. U.S. carbon emissions have been flat or falling since 2000, even as our population has increased.

There are a number of reasons for this. The natural gas revolution has replaced coal. Laptop and smartphone battery technology was applied to hybrid and electric cars. And many small technologies pushed by the free market let people do more with less.

Can anyone say the U.S. has changed its lifestyle since 2000? Can anyone deny the dramatic energy-saving improvements in technology that have occurred since then?

Finally, create near-term successes.

A couple years ago, Governor Inslee told a legislative panel on climate change that everything he was reading said that climate change was "even worse" than had been predicted. I asked his office what he had been reading. They did not respond.

In fact, the opposite is true. The IPCC has actually reduced its projections of temperature increase from three degrees Celsius in 2001, down to two degrees C in its most recent report. This is not zero, but it gives a chance to breathe and focus on incremental success rather than grand schemes.

Rather than panic, policies should be guided by focusing on effective and cooperative efforts.

For example, State Senator Doug Erickson has offered a bill that would turn the state's renewable energy mandate into a more flexible and effective approach. The goals would be the same, but the cost to improve efficiency and cut emissions would be lowered.



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In the past we have offered the Environmental Priorities Act, which would prioritize state spending on carbon reduction, focusing on efforts that yield the greatest environmental benefit for every dollar spent. Elements of this approach were included in the governor's initial climate bill – one we supported – in 2013. Sadly, he has moved away from this bipartisan approach and now advocates subsidies for the very policies his own analysis show to be the least effective.

If, as the governor claims, we don't have time to waste, prioritizing environmental spending is even more critical.

Some will argue these steps don't do enough. These same people, however, have spent the last decade in the cycle of fail and blame. Twice in the last decade, bipartisan legislative majorities have killed cap-and-trade proposals. Twice, Washington governors have issued executive orders on climate change to no effect. Each time, as these policies have failed, we have been lectured that others are the blame and then told we need to be even more aggressive than the policies that failed. And the cycle of failure begins again.

For a decade, grand climate promises and policies have failed to pass, wasting time and resources. A more pragmatic approach of small, near-term successes and improved technologies would be a better way to change the political, and the global, climate.