

Energy and the Environment



As the Global Climate Turns: The Saga Continues

Jonathan A. Lesser

The goofiness of the enviros continues to have a more or less comic-book quality to it, but it should be remembered that they are able to push programs through Congress, and that the cost of these programs dreadfully impacts the efficiency of the electric industry—just look at the huge proportion of environmental expenditures making up the capital budget of any major electric company. To an extent, we are all spokesmen for our industry, and if there is a single area that needs help, it is avoiding unnecessary costs. If environmental policies are unnecessarily running up the bill, we need to speak out when we can.—Ed.

ALL THE NEWS THAT'S FIT TO PRINT, PLUS SOME

Much happened in the world of climate-change research and policy during 2009. The U.S. House of Representatives and the U.S. Senate each passed their own versions of a “cap-and-trade” system, and each were chockablock full of exemptions for favored constituencies. There was the massive gathering at Copenha-

gen in December, a meeting whose goal was to enact a comprehensive system of greenhouse gas reductions, but which devolved into developing-world extortion for the climate “sins” of the developed world while blizzards raged outside. There was the U.S. Environmental Protection Agency’s “endangerment” ruling, under which it determined that carbon dioxide is a threat to human health. The EPA decreed it can—and will—regulate greenhouse gas emissions under the auspices of the U.S. Clean Air Act, unless Congress acts first. And there was “Climategate,” in which e-mail communications among numerous climate scientists associated with the Climate Research Unit at the University of East Anglia in Britain revealed them to be less pursuers of scientific truth and more pursuers of political favors and influence, destroyers of inconvenient data, and ivory-tower thugs.

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There was also real research. In December, University of Waterloo Professor Qing-Bin Lu published a contrarian paper¹ in the journal *Physics Reports*—peer-reviewed, which Climategate scientists insist is the only standard under which skeptics of human-caused climate change may make claims—on the influence of cosmic rays on the earth’s climate. Unlike many of the

Jonathan A. Lesser, PhD, is president of Continental Economics, Inc., an economic and litigation consulting firm, with offices in Washington, DC, and Albuquerque, New Mexico. He can be reached at (202) 446-6062 or via e-mail at: jlesser@continentalecon.com.

Climategate scientists, Professor Lu has welcomed review of his data and findings.

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There were also policy changes. In France, on December 30 President Sarkozy's proposed €15 (U.S. \$22) carbon tax was struck down by the French Supreme Court. President Sarkozy's tax, like the proposed U.S. cap-and-trade legislation, included a Swiss-cheese-like set of exemptions for industry, exempting 93 percent of industrial emissions—making it worth less than the recycled *papier* it was printed on. The court ruled that those exemptions created a system with disproportionate impacts, and was thus inequitable. Those same sorts of exemptions were what killed then-Vice President Gore's Btu tax in 1993: what started out as an economically efficient idea was larded with exemptions, until it was mercifully extinguished.

THE “PRECAUTIONARY PRINCIPLE” AND CLIMATEGATE

When confronted with the uncertainties of climate research—even absent the Climategate shenanigans—advocates of enacting policies to strictly curb greenhouse gas emissions often cite the “precautionary principle” as their guide.² The precautionary principle is a “mini-max” approach to risk. It says that we should minimize the risk of catastrophic environmental outcomes, even if the likelihood of such outcomes is small. Moreover, the precautionary principle places the burden of proof on those arguing a policy (including doing nothing) will not have catastrophic consequences. Not surprisingly, a mini-max approach to environmental risks can lead to very different policies than one based on expected costs and benefits.

The problem with the precautionary principle, as it has been applied by policy advocates, is that their application is quite selective. The

precautionary principle supposedly addresses “existential” threats. For example, should a large asteroid—of which there are many floating about the solar system—hit the earth, the consequences—massive and sudden extinctions, global starvation, and plunging the earth into a prolonged ice age—will be far, far greater than the impacts of climate change: just ask the neighborhood dinosaur.

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Nevertheless, while advocating that societies commit to massive changes in lifestyles, mandatory one-child policies to reduce the world population by several billion,³ and trillions of dollars in lost economic well-being, there is little discussion of increasing our efforts to identify and deflect these earth-shattering asteroids. Similarly, the “precautionary principle” should also mean that, before committing trillions of dollars to combat climate change, we should ensure the underlying research and the policy choices we make as a result are themselves sound.

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Although some believe the science of global climate change is settled, the Climategate scandal has proven that many of the climate scientists who are well known for their vociferous advocacy of major policies (and, of course, lots more research dollars for them) have perverted the scientific method for their own gain. For example, in a December 30, 2009, Letter to the Editor at the *Wall Street Journal*, Professor Michael Mann, one of the best known of the

climate-change scientists, wrote, “Society relies upon the integrity of the scientific literature to inform sound policy. It is thus a serious offense to compromise the peer-review system in such a way as to allow anyone—including proponents of climate change science—to promote unsubstantiated claims and distortions.”

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This is the same Professor Mann who, in 1998, coauthored an article in *Nature* displaying the later-debunked “hockey stick” global temperature chart (purporting to show constant global temperatures between the years 1000 and 1900, and then a sudden and rapid increase in temperatures thereafter), but who refused to provide the raw data to two Canadian statisticians who later debunked Mann’s research as statistical trickery. It is also the same Professor Mann who in a 2003 e-mail stated, “Perhaps we should encourage our colleagues in the climate research community to no longer submit to, or cite papers in [the peer-reviewed journal *Climate Research*]. We would also need to consider what we tell or request of our more reasonable colleagues who currently sit on the editorial board.”⁴

Climategate does not “disprove” man-made climate change, but surely it raises many questions that ought to be answered carefully before the world invests trillions of dollars on economically catastrophic policies to reduce greenhouse gas emissions. Perhaps “regulatory capture” theory applies not just to regulators when they are ruled by special interests, but also to scientists seeking both influence and additional government grant money from those same regulators.

WHERE TO NOW?

Thus, after the failure (or success, depending on your point of view) of Copenhagen, the rejection of policies that unduly favor some economic sectors over others, and the unfold-

ing Climategate scandal, where does this leave us from a policy standpoint?

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First, how about identifying policies that would increase economic efficiency and have, as a side effect, a reduction of CO₂ and other pollutants? (This is *not* the type of policies on the table in the United States.) For example, recent research suggests that reducing methane emissions would be more effective than reducing carbon emissions.⁵ How about developing cost-effective ways to capture and use methane that is now flared? What about a broad-based CO₂ tax whose proceeds are “recycled” back into the economy in the form of lower distorting tax rates, so as to encourage investment and economic growth? Surely that would more effectively reduce emissions, and reduce them sooner, than the current legislation before Congress that exempts large swaths of industry for years, or the tax that was struck down in France because of its exempting almost everybody.

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Second, how about investing more in climate research—real research, not politically driven research that focuses on hysteria (drowning polar bears, the end of everything, and so forth). Do we really believe that a slightly warmer earth will be worse than one covered in mile-thick ice sheets? We could also step up research in adaptation, since regardless of the causes of climate change, the earth’s climate has always changed, and will continue to change, and not always to

our liking. At the same time, why not devote more resources to some of the more immediate environmental and health issues facing us, such as improving access to clean water in developing countries, reducing the incidence of malaria, and increasing crop yields?

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ONLY NUCLEAR PLANT CAN PROVIDE EMISSIONS-FREE, ROUND-THE-CLOCK POWER

Third, since the world will continue to need more energy, it is time to embrace nuclear power. Although other countries are doing this, if the United States is serious about reducing carbon emissions and reliance on fossil fuels, we need to recognize the limits of renewable resources and jump-start construction of new nuclear plants. Sure, nuclear opponents complain that new nuclear plants cost too much. But without a web of regulatory mandates and subsidies—renewable portfolio standards, investment and production tax credits, and above market feed-in tariffs—many of those renewable resources would never be built. A nearer-term, lower-cost solution is capacity uprates at existing nuclear plants—the equivalent of turbo-charging a car engine. Using state-of-the-art technology, the output at an existing nuclear plant can be increased by as much as 20 percent without needing thousands of acres of land or new transmission lines, two issues over which opponents of Big Renewables are fighting mad.⁶

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forms the backbone of the electric generating system, and nuclear power is the only baseload source that emits no carbon in the production of electricity and is not geographically constrained. Why not jump-start the construction of new nuclear plants and accelerate installing capacity uprates at existing ones? We can also train a new generation of nuclear engineers and operators, and need to accelerate R&D efforts for nuclear fuel recycling and developing new reactor technologies, especially small modular reactors.

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These are but a few steps available today. Instead of focusing on grandiose emissions trading schemes that carve out exemptions for the well connected, or relying on tainted research, we could focus on policies that would provide real economic and environmental benefits in the near term. ☉

NOTES

1. Lu, Q.-B. (in press). Cosmic-ray-driven electron-induced reactions of halogenated molecules adsorbed on ice surfaces: Implications for atmospheric ozone depletion, *Physics Reports*, dx.doi.org/10.1016/j.physrep.2009.12.002.
2. Some like to cite the philosopher, physicist, and mathematician Blaise Pascal (1623–62) as “originating” the precautionary principle. In fact, “Pascal’s wager,” as it came to be known, posited that, although the existence of God could not be proven, believing in God had no downside, while not believing in God, only to find upon one’s death that God existed, could have catastrophic consequences. (Presumably, God would look askance at the unbeliever and toss him into hell, or force him to testify before a Congressional committee.)
3. Francis, D. (2009, December 10). The real Inconvenient Truth: The whole world needs to adopt China’s one-child policy. *Financial Post* (Canada), <http://www.financialpost.com/story.html?id=2314438#ixzz0bNvDNZ48>.
4. The full text of Professor Mann’s e-mail, dated March 11, 2003, can be found at <http://www.eastangliaemails.com/emails.php?eid=295&filename=1047388489.txt>.
5. See, e.g., Watson, R., & El-Ashry, M. (2009, December 29). A fast, cheap way to cool the planet. *Wall Street Journal*, <http://online.wsj.com/article/SB10001424052748704039704574616130812043404.html>.
6. See my column, (2009, February). Renewables, becoming cheaper, are now passé. *Natural Gas & Electricity*, pp. 30–32.