

Season 24

Debating the 2023-2024 Policy Resolution

Policy debaters always benefit by understanding current issues related to the year's topic of study. The purpose of this article is to give competitors information about current issues on the resolution:

Resolved: The United States Federal Government should substantially reform its energy policy

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History of U.S. Energy Policy



Stoa's 2023-2024 Policy Resolution:

Resolved: The United States federal government should substantially reform its energy policy.

Energy policies are in the news all the time, and debaters will have no shortage of ideas to draw from for Affirmative cases. Negatives must prepare some generic briefs against common themes that will appear in multiple debate rounds, so as to be prepared even if they are encountering a new plan for the first time. Here, we will survey topic areas in the Status Quo and proposals for change that are common in the literature today.

Oil Imports

The collective generational memory of people my age and older still contains a deep impression buried in our minds that says “imported oil is bad.” Those of my generation remember the specific events that gave that impression, while those of the current debaters’ generation probably know the concept but do not know where it came from. The concept achieved meme status in the 1970s, long before memes were invented. Thus, it is easy to predict that debaters this season will simply claim “imported oil” is a harm as if it were self-evident, and that reducing it must be an advantage – without ever explaining why, or what impact it actually has on anyone’s life. This is a mistake.

In the previous chapter, we saw that current statistics show the United States economy to be a net exporter of petroleum products. But those statistics also showed that we import some and we export more, due to various factors that affect where the oil is being used and refined.

Like all alleged harms or advantages in a policy debate, “imported oil” is meaningless until it is impacted. “SO WHAT?” if we import X% of oil. Who is it hurting? It might be that importing oil is better than all the alternatives (and maybe that’s why we do it). That’s how free markets work: We import oil because it is the most economically advantageous thing to do compared to all the alternatives. If the alternatives were more profitable and less expensive, a free market would use those alternatives without anyone telling them to do so. What are some possible impacts to importing oil into the U.S.?



Funding bad guys abroad

There certainly are some evil people and bad governments who profit from exporting oil to the U.S. Some of these governments are adversaries of the United States, some are mildly unfriendly, some hate us. Some of them use the revenues to maintain their power and fund activities in opposition to US foreign policy or national security interests. Some of them use the money to fund terrorist groups. But are US imports a significant enough portion of their revenues to make a difference? Would they find no one else to sell their oil to if we reduced imports?

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Keep in mind that the world market for oil is like a giant swimming pool. Insisting that we are only going to get our water (oil) from the deep end of the pool and not from the shallow end would be silly. Every cup of water taken from the deep end is immediately replaced by water from the shallow end because it's one giant pool.

But what about "complicity"? This is the theory that refusing to buy oil from a country avoids our "complicity" in whatever bad things the oil exporting country is doing. This can create a reason to vote Affirmative, even if it has no economic impact on the targeted "bad" country (they sell to someone else, and we buy the oil that the other customer would have bought, from someone else ... it's all a giant pool). Monument Publishing will have available a Negative brief to deal with "complicity" arguments, showing that buying something exported from a country does not make us complicit in the misdeeds of that country's government. After all, you and I are not complicit in the misdeeds of the US government just because we every day buy products made in the U.S. (and, even worse, pay for the operations of the US government with our taxes).

The “oil weapon” – vulnerability to disruptions

Americans felt the pain of the 1973-74 Arab oil embargo, as well as further disruptions caused by the cutoff of oil from Iran following the revolution in 1979. Whether happening by random political events or by deliberate “weapon” tactics aimed at harming the United States, disruptions in foreign supplies could damage our economy. But many conditions have changed since the 1970s, and there may be good reasons such disruptions wouldn't have as much impact today. The biggest reason is the absence of price controls, since 1981, on oil in the US market. Any time a disruption happens, market prices adjust, supplies are quickly found elsewhere (because higher prices motivate suppliers to enter the market) and the crisis is resolved. Higher prices could certainly be harmful, but the agonizing disruptions and shortages of the 1970s are unlikely to happen again.

Oil on Global Markets

For all issues related to domestic versus foreign oil, keep in mind that oil is priced on world markets. A barrel of oil from Texas would end up costing consumers (after it is refined and marketed into its resulting end products) about the same as a barrel of oil from Saudi Arabia. If it were substantially cheaper, the oil company wouldn't sell it in the U.S., they would sell it somewhere else where they could get a better price for it. That's true with every barrel of oil produced by every oil well in the world. It will be sold where it can fetch the best price, so a global market for oil develops and prices are roughly equivalent anywhere in the world.

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American consumers would not notice any difference no matter how much of their oil came from any country or from domestic sources.

Why does gasoline cost so much more in other countries than in the United States? It's not because they import more than we do, it's because of taxes. Most (not all) countries have much higher taxes on gasoline than we do, so their price at the pump is much higher.

Oil & Foreign Policy

In the earlier chapter, we noted Pres. Carter's declaration in 1980 that supplies of oil in the Middle East are a national security priority and would justify US military intervention. Since then, the United States has actively been involved in numerous costly military adventures in the region. In addition to active fighting in Iraq and Kuwait, the US Navy also conducts ongoing patrols of the Persian Gulf (between Saudi Arabia and Iran), where a large percentage of the world's oil is carried on its way from the Middle East producers to importing nations worldwide.

The region is volatile and disruptions in that flow are always a risk. Iran is a sworn enemy of the U.S. and Saudi Arabia specifically and the West generally, and has taken occasional actions to disrupt that flow with attacks on ships in the Persian Gulf. Houthi rebels in Yemen have also opened fire on oil tankers in the Red Sea (on the west coast of Saudi Arabia, between the Arabian Peninsula and Africa). Such attacks not surprisingly frighten world oil markets and may add a "fear premium" to the price of oil. If either of these sea routes were closed to shipping, oil prices would surely spike, since large supplies would be unable to reach world markets, driving up prices for the remainder from other sources.



"An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America and such an assault will be repelled by any means necessary, including military force."

Some question whether the United States has, or should continue to accept, responsibility for the safety of Middle East oil transportation routes. Only a small percentage of oil consumed in this country comes through the Persian Gulf. Some of it goes to nations that are allies (like Europe and Japan) and some goes to others like China or India. If these nations believe their sources of oil are at risk, maybe their navies should bear the burden, and their taxpayers bear the cost, of

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securing those supplies. Maybe the suppliers of oil themselves, like Saudi Arabia, that make great profits on its sale, should bear the cost. After all, crude oil for those countries is merely a useless sludge if no one buys it.

Another foreign policy concern is the Organization of Petroleum Exporting Countries (OPEC).¹ This is an association of nations that meet regularly to attempt to manipulate the market price of crude oil to their advantage. Such price collusion among suppliers of commodities in interstate commerce in the United States is illegal under federal law, but foreign governments cannot be prosecuted.

Those of my generation remember when news reporters eagerly hung on every word uttered at OPEC meetings, fearful that their pronouncements would mean more problems for American consumers. Today, many question whether OPEC's best days are behind it. There are vast supplies of oil on world markets today (not least, the United States), greatly limiting OPEC's power to set prices, since they don't control enough of the supplies to create shortages that would drive up the price.

¹ The economic term for a small group of suppliers who are not compelled to compete in a market and can set prices above what a free market would set is an "oligopoly." When the suppliers actively and formally collude to do so, they are known as a "cartel."

Renewables

Solar and wind energy are the two most frequently discussed renewable energy sources, and they are expected to grow in market share, at the expense of fossil fuels, in years to come. The federal government currently offers an income tax credit of up to 30% of the cost of a new home or business solar energy system, a subsidy that encourages faster development of solar to replace electricity from the grid.

Wind currently supplies more than 6% of total US electricity capacity² and also receives federal tax credits and subsidies.

"The Production Tax Credit (PTC) allows owners and developers of wind energy facilities (land-based and offshore) to claim a federal income tax credit on every kilowatt-hour of electricity sold to an unrelated party for a period of 10 years after a facility is placed into service. The IRA [Inflation Reduction Act] extends the renewable energy PTC through 2024; it previously expired for wind at the end of 2021. Wind energy projects placed into service after Dec. 31, 2021, that satisfy the new wage and apprenticeship requirements will receive an inflation-adjusted credit of 2.6 cents per kilowatt-hour for the first 10 years of electricity generation."³

Affirmatives who wish to create federal incentives for either solar or wind energy must do a thorough job of researching carefully the inherency issue and answer the question of what the Status Quo is doing. There are so many federal tax incentives and subsidy programs for renewable energy that it might be difficult to come up with a substantial reform that would change what the Status Quo is already doing, if the goal is to increase renewable energy. Canceling these programs, on the other hand, would surely be a substantial reform, but it would trigger disadvantages by increasing usage of fossil fuels (with their pollution and foreign policy implications) to replace the renewable energy.



The Block Island Wind Farm, the first U.S. offshore wind farm, represents the launch of an industry that has the potential to contribute significantly to a reliable, stable, and affordable energy mix. Photo by Dennis Schroeder, NREL 41193

https://www.energy.gov/sites/prod/files/2018/03/f49/eere_wind_funding_fs_2018_0.pdf

² https://www.energy.gov/sites/prod/files/2018/03/f49/eere_wind_funding_fs_2018_0.pdf

³ [https://windexchange.energy.gov/projects/tax-credits#:~:text=The%20Production%20Tax%20Credit%20\(PTC,facility%20is%20placed%20into%20service](https://windexchange.energy.gov/projects/tax-credits#:~:text=The%20Production%20Tax%20Credit%20(PTC,facility%20is%20placed%20into%20service). (brackets added)

The Future of Natural Gas

Hydraulic fracturing (fracking) has opened up vast quantities of low-cost natural gas produced within the United States, dramatically changing our nation's energy future in just a few years. Natural gas is rapidly replacing coal as a growing source of electricity generation in this country, and some proposed nuclear power plants have been scrapped and replaced with gas-fired plants. And, though still a fossil fuel and producing some emissions, it is far less polluting than coal as well, adding to its popularity.

Natural gas can relatively easily be liquefied and transported in bulk to locations where it is needed. Years ago, a number of large terminals were being built on the US coasts to process imports of liquefied natural gas (LNG). Today, those terminals have been repurposed into export terminals, to ship LNG out to other nations, since US supplies have expanded so much. Industry experts have registered complaints about government red tape and regulatory blockage of such export terminals and impediments generally to exports of LNG. Others have complained that exports of LNG are taking it out of the US market, raising prices for consumers and businesses inside the United States. Unlike oil, the market for natural gas is not exactly one large global "swimming pool" where the world price is unrelated to imports and exports, although it may be someday. Natural gas is harder to move around globally, and so price disparities between importing and exporting countries still exist. However, as the global market for LNG develops, these disparities may disappear over time.

Natural gas consumption may grow in other areas as well. Some motor vehicles today are powered by natural gas (some city buses, for example). And natural gas may be developed further as a source of hydrogen, which can be used to power fuel cells with zero emissions. Of course, unless the carbon from the natural gas is sequestered (extracted and removed, not emitted into the air), then such hydrogen would not truly achieve the goal of eliminating emissions, only mask them to the end user.

Energy Use For Transportation

Transportation consumes a large percentage of the energy used in America every day, so it is natural to look to this sector for potentially beneficial energy policy reforms.

Federal taxes on motor vehicle fuels are one of the most obvious policies that directly affect how much energy we use, since laws of supply and demand dictate that higher prices lead to lower consumption. Raising or lowering motor vehicle fuel taxes would reduce or increase consumption of these fuels.



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Congress has also mandated the use of biofuels, particularly ethanol, in the nation's gasoline supply. Ethanol is simply alcohol, just like one would find in a bottle of liquor, and can serve as a substitute for gasoline. This has attracted controversy as a potentially lucrative deal for special interests – the nation's corn farmers and big agri-businesses that make ethanol. Experts are divided over whether ethanol is good or bad for the environment in terms of the emissions it produces, relative to those produced by the gasoline it replaces. Various regulations and incentives exist at the federal level to manage the use of ethanol in the nation's fuel supply, and changes to these are often proposed as potential energy policy reforms.

Electric vehicles are also coming onto the scene. These have been discussed for a long time (I remember hearing about them being the “next big thing” as a child in the 1970s during the “energy crisis”), but appear not to have taken off at the pace many expected. The federal government currently has tax credits for purchasers of electric vehicles, which substantially lower their price and at least partially make up for their higher sticker price on the dealer's lot. Consumers are unlikely to buy vehicles with alternative (non-gasoline) engines if the purchase price is so high that they would not save enough money over the life of the vehicle to make up for the extra up-front cost. Substantial questions remain about whether the refueling infrastructure exists to support a substantial increase in electric vehicles. Can car companies ever obtain the massive quantities of minerals needed to make the batteries at a price that will be affordable to consumers without government subsidies? Can consumers wait one to four hours to refuel their cars during a trip?

We might also want to be concerned about funding our nation's roadways. Since most road funding today comes from taxes on motor vehicle fuel, and electric cars consume no liquid fuels, they may be free riding by driving on roads they don't pay for.



Pollution & Climate Change

All fuels that are burned emit pollution because the combustion that consumes them to create heat releases carbon and possibly other chemicals into the air. Pollution in terms of particles or chemicals in the air is a concern because those substances can be hazardous to human health. They may trigger lung problems, asthma, cancer, or other sickness, and the cost of those impacts

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is not borne by the consumers or producers of the combusted fuels.⁴ Coal and gasoline are often named as significant culprits in the air pollution debate today, although ethanol is also a potential problem. It should be noted, however, that air pollution in the Status Quo is substantially less than it has been historically. Starting in 1970, when Congress passed the Clean Air Act Amendments, the federal government has set air quality standards that have substantially reduced air pollution. Some question, however, at what cost any potential future improvements might come. Most of the “easy” solutions have been done already, and though small incremental gains could still be made for pollution reduction, analysts question whether they would be worth the high cost.

Climate change is a more subtle concern and more controversial, in part because by definition “climate” is something that occurs over long periods of time. Climate is not the same as weather. Weather is what is happening today or this week. Climate is the average or the trend of all the weather that happens over centuries. What the weather was last week can’t really be debated because it’s a measured matter of public record. What the climate will be or could be decades from now and why it would be that way are not simple matters and are more debatable. As Yankees catcher Yogi Berra famously said, “Making predictions is hard, especially about the future.”

Climate concerns about energy arise from the emission of carbon dioxide and other greenhouse gasses (GHG) into the atmosphere. Many believe these gases, in sufficient quantities, create a greenhouse effect in earth’s atmosphere, trapping sunlight and artificially warming the climate over time. The impacts of a warming climate could be substantial. Melting of polar ice could raise sea levels and flood coastal cities and islands. Crops that once grew abundantly could fail if the climate in which they normally thrive changes, leading to food shortages.

Climate change’s existence, causes, consequences, and policy responses are all controversial. Some debate whether climate change even exists at all, and dispute whether average temperatures are really rising significantly over time. And if warming is occurring, what is causing it? It may be caused by human activity (pollution), but it could also be caused by natural forces beyond human control (changes in heat from the sun?). When the consequences are netted out, are they all bad or net detrimental? Warmer weather would harm some regions but it

⁴ In economic terms, this is known as an “externality.” Economic theory suggests that public well-being can be improved through government action to internalize these costs – that is, make the producers and/or consumers of the product pay all of the costs instead of shifting them to others. Members of the public who get sick from breathing polluted air are arguably paying a cost that the producers and consumers who generated that pollution should have paid by being required to bear the cost of eliminating the harmful emissions before they could injure others.

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might help others. Crops in current climate zones might be harmed, but crops could grow in new areas where they can't grow now.

And there are two major ways for society to react to climate change at a macro policy level. One way is to try to prevent it from happening (i.e. "mitigation") by reducing usage of fossil fuels. But this could come at substantial cost to taxpayers and consumers, and ultimately might not work (what if we can't reduce it fast enough? What if it turns out man-made pollution isn't really the cause?). Another option is to abandon mitigation in favor of an alternative strategy: adaptation. Don't try to stop it, just accept that it is going to happen and spend money on reducing the negative consequences. For example, pay for relocating people away from flooding coastal areas to safer areas further inland. This is advocated by some because (assuming climate change is happening) it is the only strategy guaranteed to reduce its impacts.

You need to be prepared to debate both (or multiple) sides of the climate change issue, depending on the situation as it arises in a debate round. Against affirmatives who have advantages involving reducing carbon emissions and climate change, you will need to be prepared to either argue that climate change isn't a problem, or that it is a problem but their plan won't make any difference, or that trying to reverse the climate is bad because it distracts public mindset away from adaptation, which is the real solution. Against affirmatives who are promoting fossil fuel usage, climate change and its impacts can be one of several disadvantages you can use when going negative.

Renaissance of Coal?

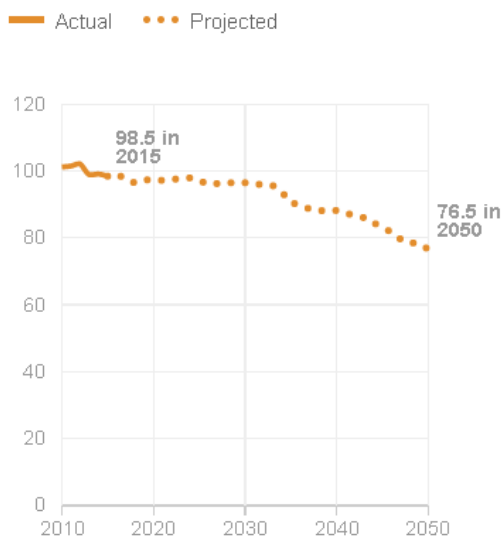
As we noted in the earlier chapter, employment in the coal industry peaked in the 1920s and has been declining ever since. Over 90% of the coal jobs that once existed at its peak are now gone, and they are not coming back. Cheaper (and cleaner) natural gas, new mining technologies that reduce demand for labor, and the decline in demand for coal due to pollution concerns with emissions as well as ground contamination and ecosphere damage have all led to increased pressures working against the growth of coal. Keep in mind that coal not only pollutes the air when it is burned, but the ash left behind is toxic and must be stored somewhere and kept out of contact with people and groundwater. And the techniques used to mine coal by blowing off the tops of mountains in Appalachia leave ugly scars on the environment and destroy streams and forests.

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But some still hope for a renaissance of coal. During his campaign for President in 2016, Donald Trump promised to bring back lost coal mining jobs. Thus far evidence is hard to find that this is occurring. But some believe that the renaissance of coal may happen, just not within the United States. As populations of poor countries overseas grow, their demand for electricity is increasing. In other countries, coal may be cheaper than natural gas, and US coal companies may find a ready export market to fuel growing foreign demand. Within the U.S., there might be environmental or other regulations that could be rolled back to increase consumption of coal, if

Actual and Projected Nuclear Generating Capacity, In Gigawatts

The Energy Information Administration projected a 22 percent decline in nuclear generating capacity between 2015 and 2050 as some aging plants go offline. Hopes for a new generation of nuclear power are faltering after the new reactor project at South Carolina's V.C. Summer plant was canceled last week.



Source: U.S. Energy Information Administration
Credit: Katie Park/NPR

<https://www.npr.org/2017/08/06/541582729/how-the-dream-of-americas-nuclear-renaissance-failed-to-materialize>

that were considered a desirable option. There could also be Affirmative cases to more tightly regulate coal to prevent some of the ongoing environmental issues it causes.

Donald Trump says he would bring back lost coal-mining jobs, and he is positioning for the November election in big coal states by portraying Hillary Clinton as a job killer. Trump, however, has yet to explain exactly how he will revitalize Appalachia's coal industry. To pull it off, he will have to overcome market forces and a push for cleaner fuels that have pummeled coal. Coal's slump is largely the result of cheap natural gas, which now rivals coal as a fuel for generating electricity. Older coal-fired plants are being idled to meet clean-air standards.

-- David Koenig, Associated Press, 5 May 2016

Renaissance of Nuclear?

Following the nuclear accidents at Three Mile Island (1979), Chernobyl (1986) and Fukushima (2011), and the cancellation of the uncompleted decades-long Yucca Mountain, Nevada, waste storage project, nuclear energy's future in this country is in question. Recent retirements of old nuclear power plants and cancellations of new ones have increased demand for natural gas plants to replace them.

If nuclear energy could be restarted and promoted again, and if safety concerns can be addressed, nuclear may be part of the answer to replacing fossil fueled electricity with a source producing zero carbon emissions and no pollution.

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“In the United States, a dedicated administration, with sufficient support in Congress, has the capability to pass effective energy legislation to invest in and expand America’s nuclear infrastructure. Researcher scholars Jeremy Carl and David Fedor of the Hoover Institute have argued that no single policy will revive the nuclear energy market. Instead, a combination of subsidies and investment, spearheaded by the federal government, could make a significant impact. Engaging in commercialization partnerships, extending reactors licenses, increasing the output of individual plants, and supporting research and development projects, would be good first steps.”⁵.

One big hope for the future is the commercialization of nuclear fusion energy. Fusion, if it ever works, will be a virtually unlimited and pollution-free source of energy that would revolutionize the global economy. An international consortium called ITER, funded by China, the EU, India, Japan, South Korea, Russia, and the U.S., has a large fusion energy research facility in France under construction now.

Squirrel-Powered Energy

The internet is full of off-beat ideas for generating allegedly economically useful forms of energy. Weird cases no one has heard of, using dubious ideas of questionable workability, are often called “squirrel” plans in team policy traditional parlance. Algae, cooking oil, kites, turkey gizzards, moon minerals, and lots of other things have been proposed by various scientists (?) or web sites as the next big thing that will solve the demand for energy. Some of these may produce small amounts of energy at high prices that are not competitive on the market today, and maybe never will be. Some of them may be frauds or scams, but sometimes Affirmative debaters desperate for case ideas don’t take the time to research them thoroughly enough to know the difference.

Negatives would be well advised to keep track of the crazy stuff that is out there and brief against it. Generic briefs about the success of current energy policies, the general failure of federal subsidies to produce energy that works in the long-term, or other generic negative information will be useful against such cases.

⁵ <https://publicpolicy.wharton.upenn.edu/live/news/2213-americas-nuclear-renaissance-part-i-the-stalled-for-students/blog/news.php>