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Getting Real About Our Energy Policy, or Lack of One

It's refreshing to see a politician of Harold Ford Jr.'s stature candidly highlight the U.S. government's energy follies ("Washington vs. Energy Security," op-ed, May 11).

Energy use is deeply correlated to national output, living standards and wealth. That the U.S. comprises approximately 5% of the world's population and consumes 25% of the world's energy is a badge of achievement, not disgrace. Greater energy efficiency only leads to greater, not less, energy use. In the 19th century improving steam-engine efficiency led to cheaper coal, which led to wider use in locomotives, more iron and steel production, and electricity generation in a virtuous cycle of growth. More efficient electric power plants didn't lead to declining consumer electricity spending, but to widespread and expanding electricity uses like near-universal air conditioning, larger homes and labor-saving appliances.

What most policy makers want to label as energy efficiency is really energy conservation. This means not creating more with less, but simply consuming less in the form of less travel, less heating and cooling, less manufacturing output and a reduced quality of life. It hides the hard work of innovation behind the easy but painful hammer of denial. Success means putting the nation's policy makers' focus squarely on energy efficiency, not conflating it with the mistaken (or disguised) notion of energy conservation.

The route to energy security is not via "independence" (a meaningless concept with fungible energy sources and complex, multinational energy systems) but through supply diversity. Our national focus should be on expanding energy resources and options on every front. Unfortunately, rather than encourage the genius of American innovators to develop new energy solutions like the recent shale-gas revolution, Washington's central planners have already picked the wind, solar, electric vehicle, ethanol and energy conservation winners. Absent the economic rewards that accrue to true innovators, creative minds won't bother to join the rent-seeking, public-private partnership crowd led by GE and other multinationals. They will find other, more valuable, uses for their creativity.

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Former Rep. Harold Ford implies that increasing domestic oil and gas production by relaxing U.S. regulations and taxation of the oil and gas industry will reduce fuel prices. This is not correct. U.S. fuel prices are tied to the international oil market, not to domestic supply.

When oil companies extract oil from the Gulf of Mexico, do they sell it to America at a discount because it came from U.S. waters? No. They sell oil globally at the highest price they can get, which is established in international markets.

Gas prices have risen over the past two years, while the amount of domestic drilling has also increased. Yet, if we compare U.S. gas prices with international oil prices, there is a striking correlation.

We simply don't have enough domestic oil to drive prices down in the face of rising demand from China and fluctuations in supply outside our shores. In fact, increasing production of U.S. oil supplies will prevent us from catching up with our Chinese and European competitors, who are already cashing in on economy-boosting, clean-energy innovations.

The suggestion that we've got to risk our beaches and our fisheries to stop paying $4 a gallon is simply false. The road to energy independence, jobs and a strong economy will be built on clean energy. Continuing to expand offshore drilling will do nothing but compromise our future competitiveness in non-oil-based energy sources, on which prices are indeed set by domestic supply and demand.

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