

## Report Offers U.S. Energy Strategy Template

Nearly 5 years ago, in April 2008, the U.S. Geological Survey released an assessment that helped to change the energy picture in the United States from scarcity to abundance. The assessment estimated that there were between 3 billion and 4.3 billion barrels of technically recoverable oil in the area known as the Bakken Formation in North Dakota and Montana, a 25-fold increase in the amount of oil that could be recovered compared to the agency's 1995 Bakken estimate of 151 million barrels of oil.

With assessments of the Bakken Formation and other plays (i.e., geological formations), other energy advances, and a substantial decrease in U.S. energy needs since 1973, "the nation is arguably more energy secure than it has been in more than a generation," according to a 27 February 2013 report by the nonprofit Bipartisan Policy Center entitled "America's energy resurgence: Sustaining success, confronting challenges."

The report calls for building on U.S. energy strengths "to deliver affordable, secure, and reliable energy in an environmentally responsible manner." The report was formulated by a bipartisan group of experts in fields that include the extractive industries, environmental policy, and national security, and timed to provide a template for Congress as it considers preparing a national energy bill.

According to the report, U.S. energy policy should be designed to advance four key objectives, among which is pursuing a diverse portfolio of energy resources. That portfolio includes expanding the production of domestic oil and natural gas "while improving the environmental performance of shale oil and gas development" as well as relying on coal; renewable electricity production such as wind, solar, and biomass; and nuclear power. As part of this objective, the report calls for supporting investments in carbon capture and storage demonstration projects.

Another objective is to improve the "energy productivity" (i.e., efficiency) of the U.S. economy in the electric power, residential and commercial, industrial, and transportation sectors. "If we count total energy savings achieved by the U.S. economy since 1973 as a separate resource, those savings exceed the supply added from all other energy resources over this 40-year period," the report states.

The report also calls for the acceleration of innovation and technology improvements across the energy sector through measures such as increasing federal investments in basic and applied energy research and development. According to the report, the United States "is not measuring up" in terms of accelerating the pace of innovation: "Compared to other sectors of the economy and other countries, the United States is already experiencing a substantial shortfall in investments in energy innovation—both public and private—relative to the scale and importance of the national interests at stake."

The report's fourth core objective—to improve energy policy governance and

accountability—calls for creating a new national energy security council to develop a high-level national energy strategy and for quadrennial energy reviews.

"We recognized that we worked on this project during an energy resurgence," said study cochair and former U.S. senator Byron Dorgan (D-N. D.) at a 27 February briefing about the report. "Some would say, 'Why would you need a plan if everything is going so well?' This is exactly the time you ought to build on this resurgence, to talk about what is the future, how do we direct and help create a future, or at least create the conditions in which we develop a better future in energy?" he said.

"The last energy bill [Congress] wrote was 6 years ago. That's a lifetime, especially in [terms of] the things that have happened with energy policy in this country. This is exactly the right time to be doing what we've done and create [a] template for the president and the Congress, to say, 'Here is something that can represent a consensus, that can represent bipartisan achievement in the area of energy strategy and energy policy,'" Dorgan said. He added that the report is a compromise document that is "not exactly" what he would have written as energy policy. The report focuses on areas where consensus could be reached and does not deal in depth with climate change, nor does it take a position on the controversial proposed Keystone XL pipeline.

Report cochair and former senator Trent Lott (R-Miss.) said the country should take full advantage of all of its domestic energy resources and that it should also invest more in energy research and development. He added that the current energy picture provides a good opportunity for Congress to produce an energy bill. "I would say to [Senate Majority Leader Harry Reid and Minority Leader Mitch McConnell], if you are looking for something that is historically bipartisan and good for the country, energy could be it."

The report's energy and environment chair, William Reilly, former U.S. Environmental Protection Agency administrator, noted that when he was in China a few months ago attending an energy conference, one focus was shale gas in America. "I returned with the impression that maybe Americans haven't opened up to the tremendous opportunity and good fortune that the United States has as a result of these recent discoveries. The Chinese have. The geopolitical consequences, the economic consequences, the balance of trade implications, the climate implications—all of these are profoundly positive as a consequence of the shale boom and the gas that it's providing at very low cost," he said.

Reilly noted that a more impressive achievement is one that "is a relative sleeper. That is, the tremendous contribution [that] efficiency—energy productivity as we characterize it in the report—has made to the United States, to our energy circumstances."

For more information, see <http://bipartisanpolicy.org>.