

Promoting a bottom-up approach to energy and the environment

Affordable, reliable energy is a key driver of prosperity and economic opportunity. Top-down regulations that constrain choice and replace consumer preferences with politically preferred technology and fuels hurt the most vulnerable citizens. A better way for energy policy is to recognize and embrace bottom-up innovations, remove barriers to voluntary efficiency and environmental progress, reorient programs away from restrictions on new market entrants, and streamline permitting and licensing requirements for all types of energy innovation. We strive to let the market deliver the right mix of energy at the lowest cost, we support energy policies that are fuel and technology neutral.

Background

Americans spend [over \\$1.22 trillion](#) per year on energy. More than [30 million American households face high energy burdens](#) and spend a substantial portion of their take-home pay for electricity, heating, and fuel. The [lowest income households](#) devote more than 20 percent of their after-tax income on residential utilities and gasoline. COVID-19 has exacerbated [energy poverty](#) in the U.S.

The Biden administration and Congress is likely to drive energy and climate policy pushing to adopt California-style energy taxes and elements of the Green New Deal through international agreements, executive orders, market-distorting subsidies for preferred energy sources, and burdensome regulations.

Policy Solutions

- **Congress should prioritize reforms to reduce energy burdens.** The adoption of reforms that would strengthen reliability and reduce energy poverty by avoiding top-down policies, increasing legislative accountability, and breaking preemptive barriers to new energy innovation is the vital for energy security and domestic energy abundance. Overregulation and barriers to the production, transportation, and consumption of energy, reduces supply and makes things more expensive for Americans while doing next to nothing to improve the environment.
 - Strategic Production Response Act ([S.3287/H.R. 6235](#)) by Sen. John Barrasso and Rep. Kathy McMorris Rodgers
- **Congress should remove barriers to energy innovation, infrastructure, and environmental progress.** Federal red tape [adds years of delay and millions of dollars of cost](#) to infrastructure and energy projects, including wind turbines, solar panels, geothermal projects, and transmission lines. Congress should suspend, rescind, or substantially amend laws that create barriers to domestic energy abundance, including the National Environmental Policy Act, the Renewable Fuel Standard, and the Endangered Species Act. These policies create obstacles that make it harder and more expensive to build critical infrastructure and energy projects.
 - **National Environmental Policy Act (NEPA)** requires federal agencies to consider, review, and consult other agencies regarding the environmental effects of their actions. These actions include

regulations, policies, projects, licensing, and permitting. NEPA affects everything from road construction to energy development, to fire reduction on dangerously overstocked forest lands, to clean water storage and delivery projects. This antiquated law has served to slow the completion of projects, increased costs to taxpayers, and contributed to endless administrative appeals and litigation that subject too many projects to death-by-delay. It currently takes an average of [four and half-to-six years](#) to finish the environmental review process for energy and infrastructure projects. The overly broad and outdated mandate of NEPA does not include a comparison of costs and benefits, and it ignores dozens of other state and federal regulations which ensure environmental protection with or without the lengthy NEPA process. In addition, previous “categorical exclusion” waivers from NEPA demonstrate that a streamlined process will have a negligible impact on environmental outcomes. These waivers were granted by the Obama Administration for [more than 95 percent](#) of the 190,000-plus projects funded under the American Recovery and Reinvestment Act as well as for the [bulk of state transportation programs](#).

- Undoing NEPA’s Substantial Harm by Advancing Concepts that Kickstart the Liberation of the Economy (UNSHACKLE) Act ([S.717/H.R. 3814](#)) by Sen. Lee and Reps. Liz Cheney and Don Bacon
- **Renewable Fuel Standard (RFS)** requires transportation fuel sold in the U.S. to contain a minimum volume of renewable fuels. The RFS originated with the Energy Policy Act of 2005 and was expanded and extended by the Energy Independence and Security Act of 2007 (EISA), and it is implemented on an annual basis by U.S. EPA. The RFS mandates consumer demand for politically connected biofuel companies at the expense of hard-working Americans and the environment. Required 2022 RFS volumes will dramatically exceed consumer demand for biofuels, well above 10 percent of gasoline, resulting in greater compliance costs, skyrocketing prices for credits, and bureaucratic nightmares.
- **Endangered Species Act (ESA)** outlines procedures for federal agencies to follow when taking actions that may jeopardize listed species and requires extensive consultation on federal actions with the U.S. Departments of Interior or Commerce. These requirements can deter projects worth tens of billions of dollars in economic impact.
- **Congress should reclaim its constitutional role regarding ratification of the Paris climate agreement and reject this top-down deal for the country.** Dramatic environmental progress has taken place without top-down energy policies. The United States [has led the world in reducing greenhouse gas emissions](#) in the last two decades not because of command-and-control regulation, but bottom-up, private sector innovation. These innovations include efficiency, the dramatic growth of less greenhouse-intensive domestic energy production, and the pursuit of profit-driven technological solutions to reduce emissions, including methane, improving business outcomes and environmental quality.
 - Paris Transparency and Accountability Act ([H.R.2578](#)) by Rep. Garret Graves.

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