

Sen. Lisa Murkowski
NARUC's Winter Committee Meetings
February 4, 2013

Every person in this room has distinct and important responsibilities. You must ensure that our people have adequate, reliable, and secure supplies of energy at prices and on terms that are “just and reasonable,” as our time-honored state and federal statutes require.

For those of us in public office, that responsibility is a public trust. And for those of you in private life, assuring that people have the energy they need every hour of every day – on terms they can afford – is no less a responsibility.

A year ago I was honored with a place at this same podium. I addressed the need for balance in the application of our energy and environmental laws. Striking the right balance is a key requirement of our time – critical to our economy, our prosperity, and our security all at once.

Since then, I've given more thought to the imperative for balance and the need to clarify – even to re-imagine – the muddle we know as federal energy policy. Candidly, I have had plenty of time to think about this. The Senate spent a lot of time out of regular order and, beyond that, in recess. When we do engage in debate, energy is rarely the topic. As you know, the direct result is that at the federal level, we have not made nearly the progress that our energy situation demands or that our children and grandchildren deserve.

I believe there must be a new conversation – a better conversation – and I intend to start it today. New technologies are emerging, changing the facts as so many thought they knew them, and our nation's energy discourse is not keeping up. It is time, despite some vastly different perspectives, to come together to address crucial and difficult issues.

Desiring to “hit restart,” I have worked with my Energy and Natural Resources Committee staff to prepare a report that we call *Energy 20/20: A Vision for America's Energy Future*. Now, of course, the first thing I must tell you is that no energy policy will ever be a perfect vision. But with the year 2020 fast approaching, I believe it is time to re-evaluate the policies we have in place – to think about what can, and should, come next – and to set realistic goals that we can achieve by the end of this decade.

I'd ask you to think about some of the trends we're already seeing. For decades, our energy policies have been crafted on the premise of increasing scarcity, yet today we have increasing supply. Instead of absence, we find ourselves on the verge of abundance. There may never have been a time when we have had more potential for energy production – or for energy productivity. We can bring more energy to market, and we can also use that energy more wisely than ever before.

At the same time, we have found ourselves in a bit of a rut, policy-wise. A choice between sweeping mandates, unprecedented spending, burdensome regulations – or all of those, all at once – is not much

of a choice at all. On paper and in words, most of us agree that an ‘all of the above’ energy policy is the best path. Yet our discussions of such a policy are anything but consistent. And in the absence of a proper balance between energy production and environmental regulation, our nation is too often hamstrung by burdensome regulations, delayed permits, and overzealous litigation.

Energy 20/20 presents my vision for how we can move forward – and we are officially releasing it today, on our website, energy.senate.gov. The report features about 200 policy recommendations under seven headings: *producing more; consuming less; clean energy technology; energy delivery infrastructure; effective government; environmental responsibility; and, “an energy policy that pays for itself.”* Call it a conversation starter.

Energy 20/20 is **not** a term sheet for a comprehensive energy bill. It is intended to be a source of ideas for discrete legislation that can attract, after vigorous debate, a strong base of support from a politically and geographically diverse group of Members. I’ll undertake the next steps only in consultation with my Committee colleagues, including Chairman Wyden, and other Senators.

I wanted to announce *Energy 20/20* here because I know how seriously this forum considers energy questions from a variety of different perspectives. I also know that public, professional, civic and business responsibilities require you to do so – even the morning after the Super Bowl.

A simple insight drives *Energy 20/20*: Energy is good. Energy provides the basis for advanced civilization and improved standards of living. It allows us to live comfortably. It allows us to transport ourselves and cargo around our neighborhood and around the world. It allows us to produce food in the quantities necessary to feed the world’s population. It allows us to manufacture and communicate, and enables every aspect of modern life. Too often we forget these crucial facts. Despite what many argue, affordable, abundant energy is not the problem. It is exactly what we should strive for.

America has tremendous potential to produce energy and create good jobs. And these good jobs are not only in energy production – although the people of Alaska, Louisiana, North Dakota, Pennsylvania and Texas, as examples, will attest to their importance. These jobs extend beyond energy production, flowing directly from the economic growth made possible by it. We have the resources, capacity, and technological know-how to lead in energy production and benefit our economy, our security, and our environment.

As we rethink our nation’s energy policy, it is also important to face questions about the inherent risks of energy and resource development, including questions about climate change. We must discuss these questions openly and find common ground on prudent steps to take in the face of uncertainty. What is certain is that we can best address environmental challenges if we are prosperous and secure.

At the start of our report, we declare five principles: it is in our national interest to make energy **abundant, affordable, clean, diverse, and secure.**

First, **abundance**. As the standard of living rises globally, demand for energy will continue to grow. Anyone who has experienced a blackout or gasoline shortage doesn't need an explanation of the value of energy abundance. We should aim to use energy more wisely, but that is not a substitute for production – or for measures that will increase the reliability of our systems and supply.

Second, **affordability**. The direct cost of energy affects the cost of everything. And there is nothing else that impacts our economy so directly. From individuals struggling to fill their gas tanks or pay their electric bills, to business leaders making investment decisions based on the cost of powering server farms or smelters, lower cost is better. There are those who believe the best way to reduce energy's indirect costs is simply to raise direct costs to discourage energy use; but this is a self-defeating policy. Lowering the direct cost of energy is key to helping the U.S. economy recover and prosper.

Next, **clean**. Attempting to minimize indirect costs or “externalities” by driving up prices is a policy doomed to economic and practical failure. Instead, we must be aware of the impacts of every type of energy and make rational, informed decisions on what is acceptable, what needs to be mitigated, and how to do it. Our challenge is to reduce the cost of “cleaner” sources of energy, not raise the cost of existing sources. Too often, “clean” is treated as an absolute, but it is better regarded as a comparison. A better definition is: *“less intensive in global lifecycle impacts than its likeliest alternative.”*

Then, **diversity**. Every type of energy has its own advantages and disadvantages. Overall, however, the more diverse our sources of energy, the more robust and secure our national energy grids and fuel supplies. And the more diverse our energy supply, the greater chance we have of achieving game-changing breakthroughs.

Finally, **security**. The United States produces approximately 80 percent of our own energy, but we are still far too dependent on foreign oil. For the sake of our nation's economy, national security, and the world's environment, we must strive to produce the largest possible percentage of our oil needs domestically and endeavor to obtain any imports from neighbors and strong allies. Tapping our potential and restoring trust in our people will be a breakthrough in itself.

Within our report, we've set a number of important goals, generally centered around the year 2020. We can be fully energy independent from OPEC. We can diversify the use of coal and accelerate the commercialization of today's unconventional and alternative fuels. We can ensure renewable energy becomes more competitive and re-establish our supply chain for critical minerals. We can modernize our electricity infrastructure and protect ourselves from cyber threats. We can ensure that research, not endless regulation, is the force behind technological innovation. We can reform our environmental laws in a sensible manner that prevents their misuse and allows projects to proceed – while still maintaining some of the highest environmental standards in the world.

It's good to have goals, right? And perhaps the best part, to me, is that none of this will require burdensome mandates or heavy-handed regulations. None of this need rely on tax hikes or limitations

on consumer choice. We can take a long look at existing policies – reform them – and wind up in a far better place in a relatively short period of time.

There's a lot we can do. The question is whether we will actually do it. Abundant energy is possible. Already there are many signs of it becoming a reality. Technological breakthroughs have lowered the cost of producing previously uneconomic supplies. New technologies are making clean energy – those sources with less environmental impact than their most likely alternatives – increasingly competitive and enabling energy efficiency to continue to improve.

Throughout the economy, diversification of energy and natural resource supplies is apparent. We can expect this trend to continue as electricity and natural gas, among other alternative fuels, take hold. And the need to have more secure supplies is beginning to influence a consensus about additional steps that can and should be taken to renew our energy and natural resource policies.

Modern federal energy and natural resource policies will add to these trends, in part by removing roadblocks erected by the outdated approaches they can replace. And we must continue to fund – and consider increased funding – for the scientific research critical to continued progress. Only rigorous research will produce the dramatic breakthroughs we need to reach a future in which clean energy is more than just a slogan.

I'm confident that if we make the right choices today and accomplish the goals set out in my report, we can secure a future in which energy and natural resources are affordable and abundant from secure and diverse sources – and that we can continue to minimize energy's impact on the environment.

The bipartisan Senate Energy and Natural Resources Committee stands ready to meet today's challenges. A "regular order" consideration of energy legislation and a renewal of targeted oversight of Administrative action will help us develop a shared understanding of the facts and of our energy laws and institutions. Air and water quality will continue to improve in our own country and around the world, even as Americans become more likely to enjoy a healthy economy and "the pursuit of happiness."

I hope that *Energy 20/20* can contribute as a meaningful early step in that direction. I appreciate the invitation to be here – and the chance to share my work with you today.

###