

RepublicEN - a Republican plan to take on climate change

-Bob Inglis's plan bolder than AOC- / risk of populist campaigns-

With free markets in mind, what would it take to **move the needle** the most to reduce carbon emissions? Most experts agree on a **carbon tax**. Republicans however have shied away from it, even though it would be a market based solution, and, might **avoid regulating carbon** which maybe the alternative.

Wildfires in California, shrinking glaciers in the Rockies, sea level rise with sunny day flooding in Miami, and, **flash floods** pretty much all over - **in the daily news**. We live in a changing climate, and, this is important for young people. The left reacts with regulations, and, despite **AOC's Green New Deal** proposing a *domestic* carbon tax, there is an even bolder plan on the republican side now. Former Congressman **Bob Inglis** calls for a **carbon tax** combined with a **border adjustment tax** (for products from Countries without such carbon tax), that, *"within 24 hours will the Chinese ask themselves whether they want to pay the tax into the US treasury, or, whether it is not better to pay it into their own, chinese treasury at home. Guess what."* The border adjustment tax would **globalize the carbon tax**. Bolder than the purely domestic AOC plan, the **Inglis plan** creates fair markets, all over the world.

However, as logical and as smart as it appears, and, besides the fact that yes, a carbon and border adjustment tax would move the needle the most, there is one important **argument against it**: why do we need it?

Indeed, the **KEY POINT** is often missing in the discussions. We experienced the effectiveness of this KEY POINT at a recent *Global Energy and Finance Summit* in California:

Bob Inglis presented his case for a **carbon and border adjustment tax**, and, aside from admiration, he was promptly met with **fierce opposition** about wanting to **crush the economy** with such carbon tax. However, coming up with the **KEY POINT** immediately **silenced fierce opposition**. A comment that clearly **won the battle**, and, has the potential to **reunited** the parties to find common grounds: **"why would we even need a carbon tax, if renewables are CHEAPER now anyways? This is a for profit solution to climate change, and, it will happen anyways. It's only a matter of time now."**

All we need to do are 2 things, we need to **TALK ABOUT 100% CHEAP** renewables, and, we need to **LEVELIZE THE PLAYING FIELD** for cheap renewables, because it is not.

TALK ABOUT it is critical, because *if everybody knew how cheap renewables are, everybody would do it*. **Every politician can sell CHEAP renewables!**

LEVELIZING the playing field for cheap renewables is more challenging.

Last year the US installed about a third of new wind and solar capacities, and about two thirds were new gas plants. However, wind and solar are CHEAPER than gas (and much cheaper than even *operating* coal and nuclear). So, why did we then build more gas plants than CHEAP renewables?

Because **playing fields are not levelized**.

Firstly, the road to market is blocked for renewables, and, open for gas! It is easy to supply gas plants through a **new pipeline** that can be permitted under **federal jurisdiction**. It takes a few years only, perhaps **3 years**, and yet another pipeline is built.

For **wind & solar** however, the road to market is a **new transmission line** which is not under federal, but under several States' jurisdiction. It therefore takes **10-20 years**, i.e. forever, to get large scale transmission built. *Renewables are simply lacking the road to market*, that is being built for more expensive natural gas plants so easily.

Secondly, Congress could free up powermarkets, i.e. direct **FERC** to order **wholesale market choices** throughout the country, and not just in half (the unregulated) markets. With such wholesale market choice, each company could **choose** to buy cleaner and CHEAPER renewable power.

How great is this? And, quickly you would not talk about another 1,000 MW in Georgia (as an example) with lots of fortune 500 companies wanting to buy clean & CHEAP, but rather another 10,000 MW to satisfy industrial & customer demand for clean and CHEAP renewables!

If federal jurisdiction for transmission lines cannot be achieved, a compromise could be to direct FERC at the very least to open up existing powerline **right of ways (ROW)** for **OPEN ACCESS** to repower them. i.e. the right for anyone to use and rebuild existing ROWs through a FERC controlled permitting process. This would possibly **fix the system** and lead to much higher installations of CHEAPER renewables throughout the Country.

Let's rather TALK ABOUT 100% CHEAP renewables (the KEY POINT), and, LEVELIZE the playing field for renewables (ROAD to market & wholesale MARKET CHOICES). And CHEAP will happen faster.

Dr. Ingo Stuckmann, Zero Emission Think Tank

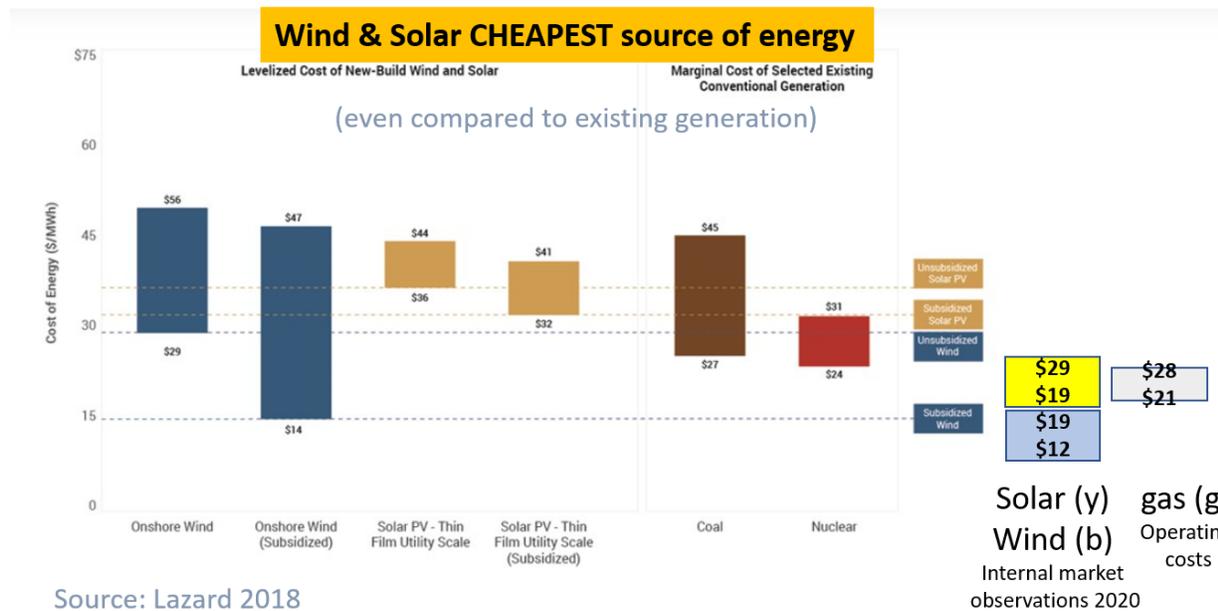
Note:

Carbon & border adjustment tax www.republicEN.org

Pro: Market based approach. Smart, worldwide approach. Would move the needle most efficiently.

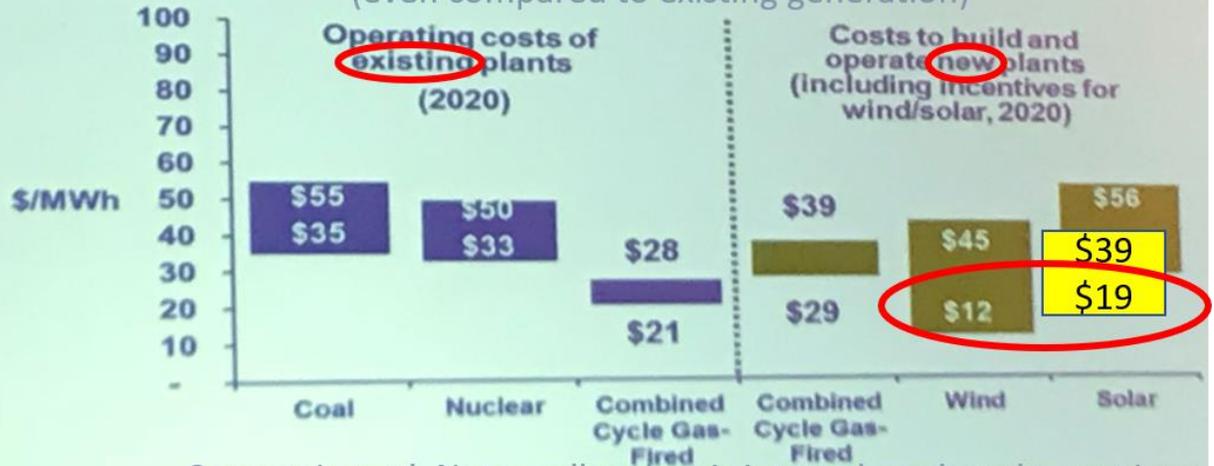
Con: Even with the tax, the 2 main roadblocks for CHEAP renewables remain*. Risk of populist campaigns against the tax, resulting in further terms of inaction.

***federal** jurisdiction for roads to market (transmission)/ wholesale market choices **for all** states.



Wind & Solar CHEAPEST source of energy

(even compared to existing generation)

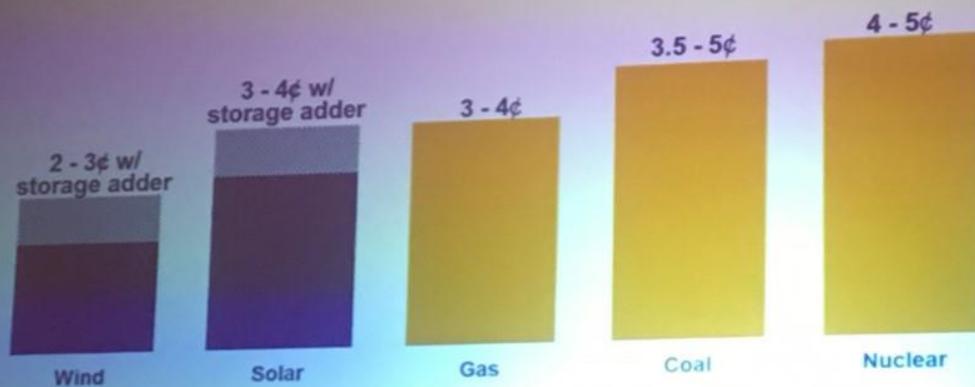


Source: Lazard, Note: yellow box is internal market observations

The all-in cost of wind and solar will continue to compete with existing generation resources as tax credits phase down

Potential Cost per kWh Post-2023⁽¹⁾

(¢/kWh)



Wind and solar combined with storage to firm and shape production is expected to compete economically with other generation in the next decade

1) Represents potential projected cost per kWh for new build wind, solar, and natural gas, excluding PTC, and ITC, projected per kWh operating cost including fuel for existing nuclear and coal, based on NextEra Energy internal estimates

Levelized Cost of Energy Comparison—Unsubsidized Analysis

Certain Alternative Energy generation technologies are cost-competitive with conventional generation technologies under certain circumstances⁽¹⁾

