
Squandering Energy Independence in a Chaotic World

Forbes.com

September 12, 2022

Daniel Markind

This article originally ran on Forbes.com on September 12, 2022. All rights reserved.

Daniel B. Markind is a Forbes.com energy column contributor. The views expressed in this article are not to be associated with the views of Flaster Greenberg PC.

Over the last two weeks, while news coverage in America has been fixated on the FBI's raid on Donald Trump's home at Mar-a-Lago, and later on the death of Queen Elizabeth II, there have been important news stories not widely reported in the United States. Turkish President Recep Tayyip Erdogan threatened Greece over what Erdogan claims is Greece's violation of Turkey's airspace and occupancy and militarization of islands near the Turkish mainland. Argentina's Vice President (and formerly President) Christina Fernandez de Kirchner survived an assassination attempt in Buenos Aires when the would-be assassin's loaded gun jammed. And Great Britain is debating whether or not it will need to close down businesses during the winter due to a projected lack of energy.

Of course, China continues to sabre rattle about Taiwan, and Ukraine and Russia remain at war. On Sunday, three New York Times correspondents wrote a story on how Ukraine and Russia have been changed six months into Vladimir Putin's "Special Military Operation". One line in that story is instructive:

"The coming winter and Europe's reliance on Russian energy supplies are emboldening Mr. Putin to fight on until divisions emerge in the West or Ukraine's army and government are exhausted."

It appears then to the New York Times authors that Western energy reliance is directly related to continued war in Ukraine.

To anyone looking at International affairs through a non-ideological prism, a world in which a vicious land war is raging in Europe, two NATO allies are threatening hostilities against each other, China continues to threaten Taiwan, Iran is making new threats against its neighbors, Europe is scared of social unrest due to insufficient energy supplies in the winter, and South American leaders are the targets of attempted assassination is, to say the least, unstable. In such times, most international leaders seek to ensure that their citizens' basic needs can be met at home to the maximum extent possible. However, with regard to energy, that appears to be the exact opposite of the approach being taken by the Biden Administration and many of its supporters.

Continued

In late August, the Attorneys General of California, Oregon, and Washington, all very Blue states, asked the Federal Energy Regulatory Commission (FERC) to deny the request of a Canadian energy company, TC Energy, to expand the amount of natural gas that flows through a 1,400 mile pipeline that runs from the Canada-Idaho border to Malin in southern Oregon.

The request by TC Energy would not have required the building or expanding of a new pipeline. It would have only increased the flow through its current pipeline. Still, the Western states argued that the increase in natural gas supplied would hurt their efforts to combat climate change. Ironically, this position from California Attorney General Rob Bonta came at the same time the Golden State is banning the sale of internal combustion energy cars by 2035, yet does not have the capacity to produce sufficient electricity even to deal with its current electricity needs as it suffers through a heat wave.

Not to be outdone, the federal Environmental Protection Agency (EPA) on September 2 reversed itself and rejected a large oil exporting terminal off the coast near Corpus Christi, Texas. The project had been greenlighted by the EPA under the Trump Administration, but now under President Biden the project's permits were denied. The export terminal, located approximately 21 miles offshore from Corpus Christi, would have been allowed to emit almost 19,000 tons of volatile organic compounds (VOC's), but it also would have allowed the United States to export to Europe and other destinations approximately 384 million barrels of crude oil. This could have proven to be very important to a world without Russian oil supplies.

Internally for domestic use, the Treasury Department is also increasing the barriers to fossil fuel based energy development. Recently, it issued guidance proposing that multilateral development banks not fund projects involving natural gas. Biden appointees at FERC have also made it more difficult to obtain permits for fossil fuel pipelines, requiring in February that future pipelines must be reviewed by the agency for the proposed pipeline's impact on climate change.

Nearly all of these actions by the Biden Administration and left leaning state agencies are defensible in isolation, but given the current international situation they look like a policy adrift in denial of the real world. Each move made by Germany to try to move away from fossil fuels since 2010 was well-intentioned, but the end result was catastrophic, both from a political perspective as well as an environmental one.

With the winter of 2023 looming and all of Europe uneasy about the upcoming energy supply problem, American energy policy in the last two years have given neither this country, nor the western world, much leeway.

ATTORNEYS MENTIONED

Daniel Markind