

We Can Take Politics Out of Energy Policy

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Remember the Clinton health-care fiasco? A bad process led to a bad outcome and a polity too mad, frustrated, and worn out to try again for years. But the problem remained and keeps getting worse.

America did the same thing last year with national energy policy. The House and Senate wrote divergent bills that trainwrecked. This year, they're doing it again, only worse. Titanic lobbying campaigns, baroque legislative packages, tight votes, and rancorous debate will again exhaust everyone, buy lots of pork, but barely address one of the gravest risks to the nation's security, health, and prosperity.

At some times, on some issues, Congress has crafted concise, effective, balanced, even statesmanlike solutions to real problems. It can with energy too—but only via a very different policy process.

Last year, an independent experiment, the National Energy Policy Initiative (www.nepinitiative.org), tested this idea. Two nonpartisan nonprofit organizations (Rocky Mountain Institute and the Consensus Building Institute), funded at arm's length by seven foundations, sought consensus through an open, inclusive, transparent process. It tested three hypotheses: focusing on what most Americans agree about would make the things they don't agree about less important; serious students of 30 years' energy policy without a dog in this fight could bring enough detachment to yield fresh approaches; and the process must start not from ideology, partisanship, short-termism, or vested interest, but from the long view and the broad national interest.

So the NEP Initiative's policy wildcatters drilled down through thick strata of partisan polarization, and discovered...a gusher of consensus.

The prospectors first asked 75 diverse constituency leaders—from energy-producing and -consuming industries, labor unions, consumer and environmental groups, government, clergy—what they wanted and why. Areas of contention remained, but to a surprising degree they all sought the same objectives: a secure country, a vibrant economy, a safe and healthful environment, a fair and resilient society for everyone's children and grandchildren.

Around that common ground, 22 distinguished and bipartisan energy policy experts hammered out a strong consensus. Their vision, strategy, and goals were so integrated that most recommendations supported all aims synergistically, and none created tradeoffs. The nation's energy needs for security, prosperity, justice, and environmental quality could be met simultaneously and without compromise.

Many of the proposed innovations for implementation, too, could replace trench warfare with win-wins. For example, safe and efficient cars could be promoted without raising efficiency standards or gasoline taxes. Instead, a revenue-neutral mix of fees on inefficient new cars, rebates for efficient ones, and rewards for scrapping inefficient ones could preserve consumer choice, boost innovation and car sales, avoid net societal distortions, and protect national security, economic stimulus, jobs, air quality, and climate.

The NEP Initiative's suggestions were strong on market mechanisms, light on regulation. They rested on such common-sense principles as letting all technologies to produce or save energy compete fairly, regardless of their nature, size, or ownership; rewarding what we want, not the opposite; and preferring options that solve or avoid many problems at once without making new ones.

The NEP Initiative's concise but comprehensive 17-page report to Congress was endorsed by 32 noted experts, half of them current or recent senior energy executives. The rest had public-service backgrounds including two Advisors to the President, two Deputy Secretaries of Energy, five other Subcabinet members, a CIA Director, two senior staff economists of the President's Council of Economic Advisors, five chairs or members of federal and state energy

regulatory commissions, and the House energy leader and his chief of staff. Their political diversity suggests the potential for bipartisan energy strategy.

This quick, cheap, but fruitful experiment illustrates how to formulate energy policy built on consensus, not political point-scoring; on shared principles and objectives, not factional wish-lists; on transparency, not cronyism; on respectful inclusion, not derisive divisiveness; on vision across boundaries, not narrow parochialism. Many of the 175 Congressional members and staffers briefed on the NEP Initiative had a similar reaction: “This makes so much sense! Why didn’t we just do that?”

The NEP Initiative isn’t perfect, and neither of us agrees with every detail in its report. The three-year independent National Commission on Energy Policy will doubtless do better. But the process lesson is clear. If we keep making energy policy in the old way, it’ll keep on not working. It’s time for something completely different—acknowledging that national diversity is a strength, and that only building on the basic goals and values we share as Americans can yield lasting energy solutions.

Mr. McFarlane was National Security Advisor to President Reagan. Dr. Lovins, CEO of Rocky Mountain Institute and a consultant to industry and government, convened the NEP Initiative.