# AEA AMERICAN ENERGY ALLIANCE®

American Energy Alliance 1155 15th Street NW, Suite 525 Washington, DC 20005

February 24, 2025

The Honorable Pete Stauber, Chairman Committee on Natural Resources Subcommittee on Energy and Mineral Resources United States House of Representatives Washington, DC 20515

The Honorable Yassamin Ansari, Ranking Member Committee on Natural Resources Subcommittee on Energy and Mineral Resources United States House of Representatives Washington, DC 20515

# Letter for the Record: Subcommittee on Energy and Mineral Resources Hearing, "Restoring Energy Dominance: The Path to Unleashing American Offshore Energy"

Dear Chairman Stauber, Ranking Member Ansari, and Members of the Committee:

Thank you for hosting last week's hearing to discuss the importance of developing our offshore oil and gas resources. The United States is the richest energy nation in the world, and we produce energy more efficiently, safely, and cleanly than any other country. To meet the growing global demand for energy, the choice is clear – increase offshore production or jeopardize our economic growth and national security while raising energy prices by depending on our adversaries to meet this need.

When it comes to access and opportunity to utilize our vast natural resources, the previous administration pursued an unprecedented policy of restriction. Throughout President Biden's term, the American Energy Alliance (AEA) catalogued over 250 actions that were deliberately taken to make American energy harder to produce and more expensive to purchase.<sup>1</sup> These actions, including efforts to limit or ban offshore lease sales, increased costs for American families and businesses and decreased our economic competitiveness on a global scale.

<sup>&</sup>lt;sup>1</sup> American Energy Alliance, 250 Ways Joe Biden, Kamala Harris, and the Democrats Have Made it Harder to Produce Oil & Gas, September 10, 2024 <u>https://www.americanenergyalliance.org/2024/09/250/</u>

Fortunately, President Trump is fulfilling his commitment to pursuing a policy of energy abundance. On his first day in office, he began the process of reversing the Biden administration's war on American energy through a series of executive orders and directives. His Day One Energy Agenda rescinded<sup>2</sup> President Biden's ban on offshore development across 625 million acres of U.S. coastal territory,<sup>3</sup> encouraged exploration and production on federal lands and waters, including on the Outer Continental Shelf (OCS),<sup>4</sup> and prioritized the development of Alaska's LNG potential.<sup>5</sup>

As we look forward to building on these important steps, however, it's necessary to first lookback at the myriad ways the previous administration constricted offshore oil and gas development. As I mentioned, AEA tracked each of these unprecedented attacks on the industry. Our affiliated organization, the Institute for Energy Research (IER), considered the implications of these actions, and, together, AEA and IER have supported legislative and regulatory solutions that will help return us to an era of energy dominance, restoring American prosperity and reducing energy prices for all. We look forward to working with you to achieve these goals.

#### **Offshore Drilling Ban**

On January 5, 2025, President Biden used the 1953 Outer Continental Shelf Lands Act (OCSLA)<sup>6</sup> to justify permanently banning new oil and natural gas leasing across 625 million acres of U.S. coastal territory. This action runs counter the intent of OCSLA, which clearly states that the OCS "is a vital national resource reserve [...] which should be made available for expeditious and orderly development." While President Trump rescinded this action in a Presidential Memoranda, a similar effort during his first term was rejected by a federal district court in 2019.<sup>7</sup> The court ruled that only Congress has the authority to revoke the ban. To that end, AEA supports H.R. 513, introduced by Rep. Clay Higgins (R-LA) in January, which would achieve this objective legislatively.

#### Offshore Oil and Gas Leasing Plan (2024-2029)

On December 15, 2023, President Biden's Department of Interior released its five-year offshore leasing plan. This plan, issued two years behind schedule, included only three lease sales – the lowest number since the program began.<sup>8</sup> It also ruled out leasing off the Alaskan coast and in the Atlantic and Pacific Oceans. The three lease sales, scheduled to take place in 2025, 2027, and 2029, were

<sup>&</sup>lt;sup>2</sup> The White House, *Initial Rescissions of Harmful Executive Orders and Actions*, January 20, 2025 <u>https://www.whitehouse.gov/presidential-actions/2025/01/initial-rescissions-of-harmful-executive-orders-and-actions/</u>

<sup>&</sup>lt;sup>3</sup> The White House, *Memorandum on the Withdrawal of Certain Areas of the United States Outer Continental Shelf from Oil or Natural Gas Leasing*, January 6, 2025 <a href="https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2025/01/06/fact-sheet-president-biden-protects-atlantic-and-pacific-coasts-from-offshore-oil-and-gas-drilling/">https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2025/01/06/fact-sheet-president-biden-protects-atlantic-and-pacific-coasts-from-offshore-oil-and-gas-drilling/</a>

<sup>&</sup>lt;sup>4</sup> The White House, Unleashing American Energy, January 20, 2025 <u>https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/</u>

<sup>&</sup>lt;sup>5</sup> The White House, Unleashing Alaska's Extraordinary Resource Potential, January 20, 2025 <u>https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-alaskas-extraordinary-resource-potential/</u>

<sup>&</sup>lt;sup>6</sup> Cornell Law School, Legal Information Institute, 43 U.S. Code 1341 – Reservation of land and rights (1953) https://www.law.cornell.edu/uscode/text/43/1341

<sup>&</sup>lt;sup>7</sup> Institute for Energy Research, Biden to Ban Offshore Oil Drilling in Some Federal Waters, January 6, 2025

https://www.instituteforenergyresearch.org/fossil-fuels/gas-and-oil/biden-to-ban-offshore-oil-drilling-in-some-federal-waters/ <sup>8</sup> Institute for Energy Research, *Biden's 5-Year Offshore Oil and Gas Lease Plan Has the Fewest Lease Auctions Ever*, December 20, 2023 https://www.instituteforenergyresearch.org/fossil-fuels/bidens-5-year-offshore-oil-and-gas-lease-plan-has-the-fewest-sales-auctions-ever/

announced only to satisfy the federal requirements, under the provisions of the Inflation Reduction Act (IRA), to lease at least 60 million acres for oil and gas exploration as a condition of issuing offshore wind power leases.

Former Senator Joe Manchin (I-WV) may have said it best: "It's now clear without a shadow of a doubt that without the IRA, this [Biden] administration would have ended federal oil and gas development completely. But instead of embracing the all-of-the-above energy bill that was signed into law, this [Biden] administration has once again decided to put their radical political agenda over American energy security, and the American people will pay the price." He continued, "Granting the bare minimum of oil and gas leases will result in a minimum of renewables leases as well because the IRA tied the two together. You can't have one without the other."<sup>9</sup>

To achieve President Trump's energy dominance agenda, AEA supports legislative and regulatory efforts to reverse this decision by issuing a new five-year offshore plan. The revised plan should consider the growing global demand for energy and prioritize our economic growth and national security by meeting the demand with U.S.-produced offshore oil and gas resources. Additionally, Congress should use the reconciliation process to repeal the market-distorting tax subsidies that prop up energy technologies that are unviable without taxpayer support.

# Moratorium on U.S. LNG Exports

On December 17, 2024, the Biden administration's Department of Energy released a report on the impacts of LNG exports.<sup>10</sup> While the study did not conclude explicitly that LNG exports run counter to the public interest, it warned that increased natural gas exports *could* increase domestic energy prices, *could* benefit China by supplying their economy with low-cost fuel, and would increase environmental impacts. These criticisms will undoubtedly by used by climate advocates to oppose LNG exports and to sue when permits are approved by the Trump administration.

By contrast, analysis from the American Petroleum Institute (API) concluded that LNG exports have not increased domestic energy prices.<sup>11</sup> When adjusted for inflation, residential natural gas prices from 2016-2023 have remained largely stable. Despite LNG exports growing from virtually zero in 2015 to roughly 200 billion cubic feet in 2019, residential natural gas prices decreased over that time. The advent of hydraulic fracturing and horizontal drilling, which led to the shale gas revolution, increased natural gas production by 43% since 2015, allowing our domestic resources to satisfy American demand and the growing global need for energy. This type of information, which reflects the reality of U.S. LNG exports, will be submitted during the comment period on the 2024 study, which has been extended to March 20, 2025.

<sup>&</sup>lt;sup>9</sup> Washington Examiner, *Manchin slams Biden administration for granting 'bare minimum' offshore drilling lease sales*, September 29, 2023 <u>https://www.washingtonexaminer.com/news/2453689/manchin-slams-biden-administration-for-granting-bare-minimum-offshore-drilling-lease-sales/</u>

<sup>&</sup>lt;sup>10</sup> U.S. Department of Energy, Office of Fossil Energy and Carbon Management, *Energy, Economic, and Environmental Assessment of U.S. LNG Exports*, December 2024 <u>https://www.energy.gov/sites/default/files/2024-12/LNGUpdate\_SummaryReport\_Dec2024\_12pm.pdf</u> <sup>11</sup> American Petroleum Institute, *How DOE's LNG Exports Study Could Clash with Real World Data*, December 16, 2024

<sup>&</sup>lt;sup>11</sup> American Petroleum Institute, *How DOE's LNG Exports Study Could Clash with Real World Data*, December 16, 2024 <u>https://www.api.org/news-policy-and-issues/blog/2024/12/16/how-does-lng-exports-study-could-clash-with-real-world-data</u>

# **National Marine Fisheries Service Biological Opinion**

In a case brought by the Sierra Club and other environmental groups, a Biden-appointed U.S. District Court judge in Maryland ruled that a 2020 National Marine Fisheries Service (NMFS) biological opinion (BiOp) violated the Endangered Species Act. In the court's view, the BiOp "underestimated the risks of harm to protected species and took inadequate measures to mitigate those risks."<sup>12</sup> This ruling could result in an indefinite suspension of offshore operations in the Gulf of America (GOA) until further regulatory review is complete.<sup>13</sup> The NMFS has until May 21, 2025, to submit a revision.

The GOA is critical to U.S. energy production, accounting for 14% of the nation's oil output and 5% of its dry gas production.<sup>14</sup> If the Gulf were a separate nation, it would rank among the top 12 oil producers globally. Additionally, the region supports more than 412,000 jobs and generates more than \$6 billion in federal revenue.<sup>15</sup> This court decision threatens to significantly slow down or halt all permits for routine oil and gas operations, which will have wide-ranging negative economic impacts and threaten our national security. AEA supports codifying the 2020 BiOp while the Trump administration completes a new review.

### **Offshore Wind**

Despite massive government subsidies, high guaranteed prices, mandates, and historically favorable government policies, offshore wind has failed to takeoff. The industry faces significant challenges: it is one of the most expensive electric generating technologies,<sup>16</sup> it produces an intermittent source of energy, and many of the components required for the manufacture of wind turbines are imported from China.<sup>17</sup> This reliance stands to exacerbate geopolitical tensions over limited resources, leading to national security concerns.

However, rather than seeking to onshore critical mineral production and processing, the Biden administration revoked leases, delayed permits, and labeled fauna and flora endangered to cancel and slow the permitting of mines.<sup>18</sup> In one example, the Biden administration revoked the federal leases for the Twin Metals mine in Minnesota and withdrew more than 225,000 acres of the Superior National Forest from consideration for mining operations for 20 years. This mine contains copper,

https://www.eia.gov/special/gulf\_of\_mexico/#:~:text=Gulf%20of%20Mexico%20federal%20offshore.of%20total%20U.S.%20dry%20productio

https://www.instituteforenergyresearch.org/renewable/wind/expensive-offshore-wind-is-in-trouble/

<sup>&</sup>lt;sup>12</sup> https://earthiustice.org/wp-content/uploads/2024/08/204 memorandum-opinion-8.19.24.pdf

<sup>&</sup>lt;sup>13</sup> Institute for Energy Research, Endangered Species Act Decision Endangers Gulf of Mexico Oil and Gas Production, September 16, 2024 https://www.instituteforenergyresearch.org/fossil-fuels/gas-and-oil/endangered-species-act-decision-endangers-gulf-of-mexico-oil-and-gasproduction/ 14 U.S. Energy Information Administration, *Gulf of Mexico Fact Sheet*, September 4, 2024

n. <sup>15</sup> American Petroleum Institute, September 6, 2024 <u>https://www.api.org/-/media/files/misc/2024/09/api-doc-letter-09-06-2024-1</u> <sup>16</sup> U.S. Energy Information Administration, *Levelized Costs of New Generation Resources in the Annual Energy Outlook 2023*, April 2023 https://www.eia.gov/outlooks/aeo/electricity\_generation/pdf/AEO2023\_LCOE\_report.pdf <sup>17</sup> Institute for Energy Research, *Expensive Offshore Wind Is In Trouble*, February 5, 2025

<sup>&</sup>lt;sup>18</sup> Institute for Energy Research, The Economic and Strategic Importance of Domestic Mineral Production, April 2023 https://www.instituteforenergyresearch.org/wp-content/uploads/2023/04/The-Economic-and-Strategic-Importance-of-Domestic-Mineral-Production.pdf

nickel, cobalt, and platinum-group elements that could be used to decrease our domestic reliance on imports.

Offshore wind has proven to be a failed experiment with negative implications for ratepayers and taxpayers. On his first day in office, President Trump issued a memorandum temporarily barring offshore wind leasing in federal waters and pausing federal approvals or loans.<sup>19</sup> To help ensure that U.S. investments are directed to secure and reliable sources of energy, AEA's highest priority in reconciliation is the full repeal of the tax subsidies that have distorted the energy market, allowing uncompetitive industries, like offshore wind, to stay afloat.

# **Additional Resources for Congress**

To further assist with efforts to advance the energy dominance agenda, IER published *The American Energy Blueprint*.<sup>20</sup> This blueprint lays out a comprehensive set of policy recommendations to guide Congress and the administration as they develop their approach to energy policy. The report outlines key reforms in areas such as federal land and water use, expanding consumer choice, reducing subsidies, curbing government spending and taxation, streamlining regulations, and modernizing the permitting process. The report is attached for your review.

Thank you for your continued attention to these issues. We share your objective of unleashing American offshore energy dominance and look forward to working with you and with the administration to advance this goal.

Please let me know if I can provide additional information that may be helpful to you moving forward.

Sincerely,

Thomas J. Pyle President American Energy Alliance

governments-leasing-and-permitting-practices-for-wind-projects/ <sup>20</sup> Institute for Energy Research, *IER Releases the American Energy Blueprint*, January 22, 2025 https://www.instituteforenergyresearch.org/regulation/ier-releases-the-american-energy-blueprint/

<sup>&</sup>lt;sup>19</sup> The White House, *Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects*, January 20, 2025 <a href="https://www.whitehouse.gov/presidential-actions/2025/01/temporary-withdrawal-of-all-areas-on-the-outer-continental-shelf-from-offshore-wind-leasing-and-review-of-the-federal-governments-leasing-and-permitting-practices-for-wind-projects/">https://www.whitehouse.gov/presidential-actions/2025/01/temporary-withdrawal-of-all-areas-on-the-outer-continental-shelf-from-offshore-wind-leasing-and-review-of-the-federal-governments-leasing-and-permitting-practices-for-wind-projects/</a>

# ER INSTITUTE FOR ENERGY RESEARCH®

# **POLICY BRIEF** American Energy Blueprint

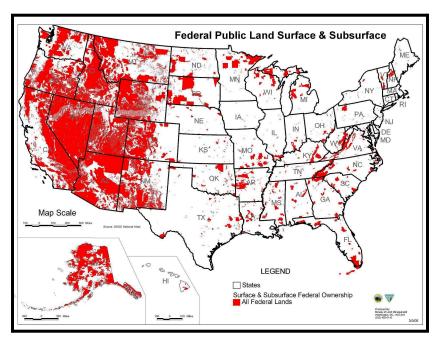
January 2025

# Summary

The *American Energy Blueprint* is a comprehensive set of policy recommendations to guide the new Trump administration's approach to energy policy. The *Blueprint* outlines key reforms in areas such as federal land and water use, expanding consumer choice, reducing subsidies, curbing government spending and taxation, streamlining regulations, and modernizing the permitting process.

# **Federal Lands and Waters**

The Biden administration launched an unprecedented attack on energy development on federal lands. From restricting land use to slowing or halting permitting approvals and raising fees, the administration did seemingly everything to make energy development on federal lands more difficult and more expensive as part of its pledge to "end fossil fuels." The Trump administration should take swift action to reverse these actions and Congress should update statutes to ensure such abuse cannot happen again in the future.



### Administrative Actions:

• Reverse restrictive Biden actions in ANWR and NPR-A, and revoke other Alaska land-use limitations on energy and minerals. Alaska is over twice the size of Texas; two-thirds of it is federally owned and 86% of it is inaccessible by road.

- Reverse the illegal denial of an access road to Alaska's Ambler Mining District, one of the U.S.'s most potentially prolific sources of valuable rare earth minerals.
- The Bureau of Ocean Energy Management should proceed with Lease Sale 262 in 2025, as planned, and create a new, more comprehensive Outer Continental Shelf (OCS) five-year leasing program, including at least two lease sales per year in the Gulf of Mexico (GOM). With the current OCS five-year leasing program under litigation, the administration should request a voluntary remand to resolve all pending petitions.
- Release a new offshore leasing plan.
- Approve permits for new mines.
- Executive order to reconsider all Biden administration decisions on land withdrawals from energy or mining leasing.
- Reverse the Biden actions requiring higher fees and costs for production in certain areas.
- Review, reverse, and shrink Biden and Obama-era national monument designations.

- <u>2024 North American Energy Inventory</u>
- <u>Alaska Sues Biden Administration Over Restrictions on Upcoming ANWR Lease Sale</u>
- Biden Suspends Water and Wetlands Permit for Ambler Mining Road in Alaska
- Biden to Ban Offshore Oil Drilling in Some Federal Waters
- <u>The Economic and Strategic Importance of Domestic Mineral Production</u>
- Enormous Lithium Discovery in Arkansas
- Biden's Confounding Oil and Gas Leasing Policy
- Biden's Plan for a 20-Year Ban on Energy Leasing in Nevada
- Biden-Harris Administration Has Closed Coal Leasing in the Powder River Basin
- <u>Biden Attacks the Oil and Gas Industry, Removing Public Lands from Development,</u> <u>Raising Production Costs and Cutting Back on Land Offered at Auction</u>
- IER Applauds President Trump's National Monuments Executive Order

# Legislative Actions:

- Turn mismanaged federal lands over to states and look for opportunities for privatization.
- Antiquities Act reform: Require monument designations to be approved by Congress, not by a unilateral presidential act.
- Repeal Inflation Reduction Act (IRA) provisions increasing costs of production on federal lands.

- Oil and Natural Gas Production on Federal and Non-Federal Lands
- <u>Biden Attacks the Oil and Gas Industry, Removing Public Lands from Development</u>, Raising Production Costs and Cutting Back on Land Offered at Auction
- The Economic and Strategic Importance of Domestic Mineral Production
- 2024 North American Energy Inventory

#### **Consumer Choice**

The American people have the right to choose the consumer products that best fit their needs and budgets. However, the Biden administration aggressively sought to restrict the types of durable

goods, such as cars and appliances, that are available for sale. This burdens consumers with higher costs and often forces them to purchase inferior products. The new administration must quickly withdraw these rules that unlawfully restrict consumer choice, while Congress should work diligently to repeal or reform the underlying legislation that enabled the abusive rulemaking.

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|---|-------------|---------------------|-------------------------|
| <b>TRACKING THE ADMINISTRATIONS</b><br>REGULATORY ACTIVITY FROM INAUGURATION DAY TO APRIL 19 <sup>th</sup> (Year 4) |             |                     |                         |
|   | FINAL RULES | FINAL RULE<br>COSTS | PAPERWORK<br>HOURS      |
| BIDEN<br>2021   | 851         | \$1.37T             | 267M                    |
| <b>TRUMP</b><br>2017  | 963         | \$30.1B             | 67.5M                   |
| <b>OBAMA</b><br>2009  | 1217        | \$303.1B            | 235.6M                  |
| LAST UPDATED: APRIL 1914, 2024  |             |                     | AmericanActionForum.org |

#### Administrative Actions:

- Reconsider and repeal the EPA's tailpipe emissions rules for all vehicle classes.
- Reconsider and repeal the 2027-2032 CAFE standards.
- Revoke the California waiver: revoke the ACC I waiver and deny the ACC 2 waiver (or CRA).
- Deny or withdraw other unlawful California waivers that have been requested or granted (trains, trucks).
- Reconsider the Biden administration's excessive appliance standards on gas stoves, home heating, furnaces, dishwashers, and other appliances. Consider creating new product

classes to ensure that important appliance features have not been lost through the imposition of over-strict regulations.

• Executive Order: Ban any agency action that prohibits or substantially limits energy by targeting any one particular source, absent direction from Congress.

# Additional Resources From IER:

- When Government Chooses Your Car: Examining the Challenges and Complexities of a Transition to Electric Vehicles
- IER files Amicus Curiae Brief in Ohio v. EPA
- <u>IER Comment on National Highway Traffic Safety Administration Proposed Rule –</u> <u>Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for</u> <u>Model Years 2027-2032 and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks</u> <u>and Vans for Model Years 2030-2035</u>
- <u>CAFE Compliance Will be Harder with DOE Proposed Rule Change</u>
- Free Market Coalition Comment on EPA Proposed Rule California Motor Vehicle Pollution Control Standards; Request for Waiver
- <u>Missing The Train: How CARB's New Regulations Fail to Appreciate the Considerable</u> <u>Supporting Energy Infrastructure Requirements Needed for Rail Electrification</u>
- <u>Biden Administration Continues to Attack Natural Gas Stoves</u>
- Biden's Energy Department Releases New Efficiency Standards for Dishwashers
- EPA Finalizes the Affordable Clean Energy Rule, Replacing Clean Power Plan
- Save Our Cars Coalition
- EV Focus

# Legislative Actions:

- Repeal the Corporate Average Fuel Economy Standards.
- Repeal the Renewable Fuel Standards.
- Repeal Appliance Efficiency Standards.

# Additional Resources From IER:

- <u>Overview of Federal EV Policy</u>
- <u>Renewable Fuel Standard Policy Brief</u>
- Biden Limits Consumer Choice on Hot Water Heaters
- Biden-Harris Administration Attacks More Appliances, Increasing Cost and Reducing
  Quality

#### **Subsidies and Spending**

The Biden administration, with the help of Congress, engaged in an unprecedented spending binge in the energy policy space. Subsidies were created en masse for favored products and energy sources, slush funds were created to subsidize left-wing activism, spending prioritized political activism over scientific research, and tax rules were bent to hand out even more money than Congress authorized. These actions are exploding deficits and distorting energy markets,



creating a death spiral of subsidization that threatens their resiliency. Where possible, the administration should halt this spending by agency action, and Congress must follow up by repealing the trillions of dollars of subsidies that were passed, particularly in the misnamed Inflation Reduction Act.

Administrative Actions:

- Replace Treasury guidance for IRA credits to enforce the content requirements passed by Congress.
- Halt and review all of the Department of Energy loan programs.
- Revoke and rescind the U.S. International Climate Finance Plan.
- Halt funding for Department of Energy awards that were not "awarded" by the inauguration.
- Halt all climate bank contributions.
- Halt green group slush funds and environmental justice initiatives that were created during the last administration.
- End the American Climate Corps.
- Review all power purchasing agreements the federal government has negotiated under the Biden administration and review to ensure federal facilities are not paying above market rates.

- Executive order: Provide guidance on research funding. RCP 8.5 or similar extreme scenarios should not be used in projects that receive federal research dollars.
- Executive order: All federally funded research must be made available free to the public and underlying data and models must be made available for review.
- Review Treasury and IRS guidance on repowering rules for renewable tax credits.
- Eliminate the Department of Energy Clean Energy Corps and other agency Climate Corps initiatives (American Climate Corps).
- Conduct an audit and oversight of money distributed by the Biden administration to political and activist groups.
- Direct the Energy Information Administration to update and publish the discontinued report: *Federal Financial Interventions and Subsidies in Energy*.

- <u>The Challenges and Costs of Net-Zero and the Future of Energy</u>
- <u>Treasury Department Defines Rules for the Clean Electricity Production and Investment</u> <u>Tax Credits</u>
- The Inflation Reduction Act Bloats Tax Subsidies to Biden's Favorite "Green" Technologies
- <u>Slash it: The IRA</u>

# Legislative Actions:

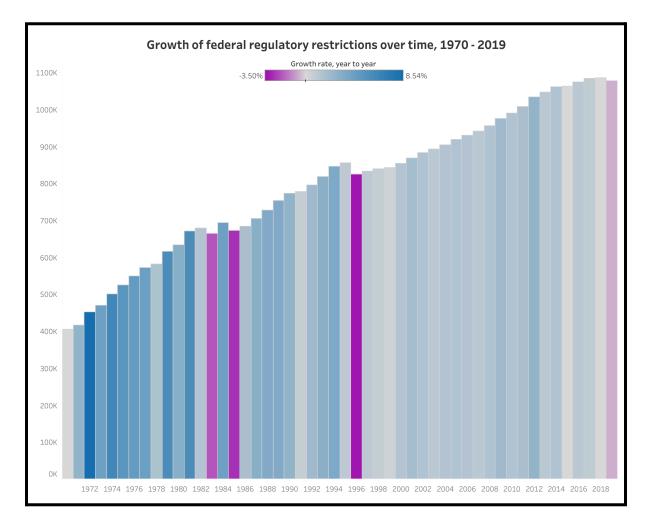
- Repeal Inflation Reduction Act's tax credits.
- Provide guidance to the Federal Reserve to clarify that integrating climate scenarios into their analysis is outside of the Institution's mandate.
- Clawback the IIJA and Chips and Science spending (EV charging, research spending, etc).

# Additional Resources From IER:

- Biden and Harris are Wasting Your Money Again on Green Energy Projects
- <u>The Inflation Reduction Act Bloats Tax Subsidies to Biden's Favorite "Green"</u> <u>Technologies</u>
- Biden's Massive EV Charging Station Failure

# **Taxes and Regulation**

The Biden administration regularly bragged about taking an "all-of-government" approach to controlling energy policy through every possible regulatory avenue. The new administration must take a similar "all-of-government" approach to reversing the legacy of damage and market distortion.



### Administrative Actions:

- Withdraw from the Paris Agreement under the United Nations Framework Convention on Climate Change.
- Withdraw the EPA's methane rule.
- Withdraw the EPA's power plant rules.

- Provide Jones Act waivers for the transportation of liquified natural gas.
- Review the EPA's National Ambient Air Quality Standards (especially ozone).
- Ensure that the global effects of a rule, regulation, or action are reported separately from its domestic costs and benefits.
- Revoke Executive Order 14030 of May 20, 2021, on climate-related financial risk.
- Make clear that the SEC, Treasury, Comptroller of Currency, CFTC, or any other financial regulator may not take action to discriminate against the production or use of any energy source, or take other climate-related actions, without express direction from Congress.
- Revoke all executive orders establishing an environmental justice framework in the federal government.
- Withdraw Biden administration's social cost of carbon, or reform to use a 7% discount rate.
- Review and reconsider the EPA's endangerment finding for carbon dioxide emissions.
- Withdraw Biden CEQ NEPA regulations.
- Take regulatory action to match the Waters of the United States definition outlined in the Sackett decision.
- Executive order directing all agencies to eliminate any environmental justice requirements from any regulations, contract tendering, employment, etc.
- Executive order eliminating all energy and climate mandates in federal procurement and contracting.
- Repeal the EPA's "good neighbor" rule that threatens energy infrastructure. Since the rule is currently under litigation, it should be suspended while the agency works to repeal it.
- Withdraw Biden A-4 circular update.
- Withdraw from Biden methane pledge.
- Review endangerment findings for CO2.
- Withdraw the Department of Labor rule on ESG investing with retirement accounts.
- Executive order: Review EPA greenhouse gas reporting program.
- Review the Commodity Futures Trading Commission's "Green Guide" classification of carbon credits.
- Executive order: Suspend all agency climate action plans pending reviews and cost-benefit analysis.
- Exempt crude oil, natural gas, and energy-intensive critical supply chain inputs from across-the-board tariffs to maintain the administration's goal of preserving American energy dominance.
- Extend all existing petitions and expedite any future petitions for Section 232 tariff exclusions for products critical to the oil and natural gas industry that cannot be sourced domestically to meet the required procurement specifications.

- <u>Biden-Harris Administration Regulatory Costs Are Astronomical and President-Elect</u> <u>Trump Has a Mandate to Fix It</u>
- 250 Ways the Biden-Harris Administration, and Their Allies, Have Made it Harder to Produce Oil & Gas
- Americans Voted to Make U.S. Energy Dominant and to Continue Using Natural Gas
- EPA Finalizes Methane Rule Associated with the Inflation Reduction Act Reporting Requirements
- <u>The Biden-Harris Administration Proposes Another Rule Affecting Power Plants</u>
- <u>The Supreme Court Will Not Stay the EPA Power Plant Rule While It Goes through the Lower Courts</u>
- Jones Act Waiver Would Set U.S. LNG Free
- The Jones Act: Distorting American Energy Markets Since 1920
- <u>The Environmental Quality Index</u>
- EPA Ups Estimates for the Social Cost of Carbon
- The Supreme Court Takes on a Case Involving the National Environmental Policy Act
- <u>Biden-Harris Administration Claims Jurisdiction Over Wetlands on Alaska's North Slope</u>
- EPA Finalizes Methane Rule Associated with the IRA Reporting Requirements
- Biden Has Set a New Climate Goal for States to Achieve
- ESGing Your Retirement

# Legislative Actions:

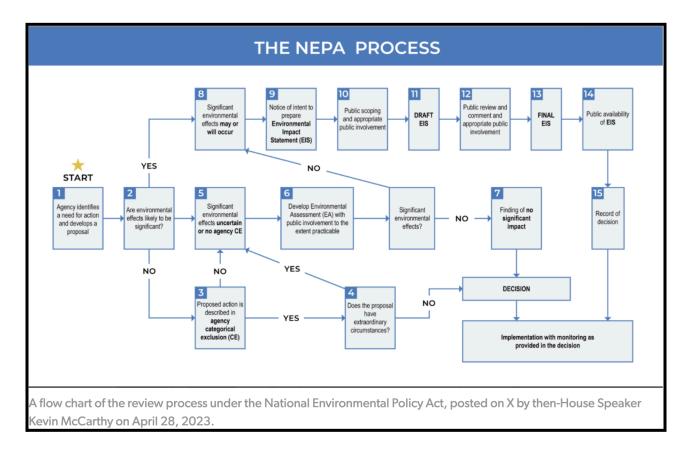
- Repeal the methane tax.
- Pass the REINS Act.
- Reform NRC, and appoint commissioners, so that new nuclear generation has a regulatory path consistent with development, not obstruction.
- Reduce the corporate tax rate below 20%.
- FOIA reform:
  - Reform the Foreseeable Harm Standard Federal agencies often cite the "deliberative process" privilege to redact substantial information from public records. Congress can improve this standard by mandating that agencies consider specific factors when evaluating potential harm from disclosure.
  - Ensure systematic preservation and searches of text messages, emails, calendars, and other communications.
  - Subject government contractors to FOIA when they are engaged in public functions.

• Prevent infinite delays by consults. *Additional Resources From IER:* 

- Biden-Harris EPA Finalizes Methane Tax on Oil and Gas Operations
- <u>Big Tech Wants Nuclear Power as Renewable Energy Is Unreliable</u>
- <u>Putting AI's Insatiable Electricity Demand in Perspective</u>
- U.S. Withdrawal from the Paris Climate Accord: Five-Year Anniversary
- FERC Transparency Project

# **Permitting Reform**

It is far too expensive and time-consuming to build just about anything in America, but energy infrastructure and development are particularly difficult. The Biden administration exacerbated this by throwing up every administrative hurdle they could conceive. Reversing the Biden administration's actions is immediately necessary, but Congress must also undertake some serious work to reform the statutes that govern the permitting process.



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## Administrative Actions:

- Appoint FERC commissioners that will withdraw the proposed pipeline rule and transmission rule.
- Resume permitting approvals for LNG exports.
- The Army Corps of Engineers should complete its environmental review for the Line 5 project in Michigan and grant the project a permit to proceed.
- Review permitting requirements for new and expanding refineries.
- Reform water permitting process to clarify that state input cannot be an automatic veto.

# Additional Resources From IER:

- <u>New Report Proposes Regulatory Reforms to Streamline US LNG Exports</u>
- Will Any New Refineries Be Built in the United States?
- EPA's Proposed Rule Regarding the Clean Water Act
- Biden Administration Releases LNG Export Report

# Legislative Actions:

- National Environmental Policy Act (NEPA) reform:
  - Repeal the Biden administration's NEPA Phase 1 and 2 rulemakings and replace them with updated guidance consistent with economic growth and the rule of law.
  - Recognize that the White House Council on Environmental Quality (CEQ) does not have the statutory authority to create binding NEPA regulations for other federal agencies.
    - Rescind CEQ's NEPA regulations wholesale and rely on the individual agencies to individually promulgate NEPA regulations as may be required.
  - The consideration of the Social Cost of Carbon analysis is inappropriate and should not be used in the development of environmental documents under NEPA.
  - Remove controlled burns on federal lands from the list of major federal actions.
- Endangered Species Act (ESA) reform:
  - Clarify that habitat modification is not the "taking" of a species under the ESA. The ESA defines "take" to mean "harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct." That should be the definition and not adverse habitat modification. ESA should be for species protection, not to control land use.
  - The Fish and Wildlife Service should repeal the FWS-NMFS regulations on "foreseeable future" (Section 4), "critical habitat" (Section 7), and the blanket application of the Section 4(d) rule.

- Eliminate the need for cross-border permitting for pipelines.
- Litigation reform (standing, payment of court fees).
- Review permitting requirements for new/expanding refineries.
- Reform water permitting process to make clear state input cannot be an automatic veto.
- Revoke Interior Secretary Order 3398 reinstating American Energy Dominance as a national goal.

- <u>Appeals Court Rules that Federal Agencies and Courts Have Misinterpreted NEPA</u>
- The Supreme Court Takes on a Case Involving the National Environmental Policy Act
- Biden Is Stifling Oil and Gas Drilling Again, This Time over Sage Grouse Habitat
- Endangered Species Act Decision Endangers Gulf of Mexico Oil and Gas Production
- <u>Keystone XL Pipeline Canceled</u>
- <u>California Energy Commission Proposes to Take Over State Oil Refineries</u>

# Conclusion

IER's recommendations are grounded in several core principles:

**Free Markets:** History has demonstrated that private property rights, market competition, and the rule of law are essential to providing affordable energy, enhancing living standards, and fostering a cleaner environment.

**Objective Science:** Public policy, especially in the realm of environmental issues, should be driven by objective, evidence-based science, rather than emotional appeals or speculative scenarios that often lead to counterproductive government interventions.

**Public Policy Tradeoffs**: Policies that aim to address market failures must also account for the potential of government failure. It is critical to recognize that government actions, influenced by politics and bureaucracy, rarely mirror the idealized outcomes envisioned by policy advocates.

**Efficient Outcomes:** Policy decisions should consider the interests of energy consumers, producers, and taxpayers in a balanced and efficient manner, seeking outcomes that benefit all.

**Impartial and Unbiased:** Government policies should be transparent, simple, and technology-neutral. This will encourage investment in the energy sector and drive innovation

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