

Real Energy Solutions



FASTER, CHEAPER, AND BETTER SOLUTIONS TO HIGH ENERGY PRICES

Americans are feeling real pain at the pump as oil prices continue to skyrocket. Big Oil would have us believe that we have only one option – more drilling. But there are faster, cheaper, better ways to address high gas prices than drilling. And unlike drilling, none involves polluting our waters, or threatening our coastal economies, fisheries, or wildlife.



FASTER

Every one of the following solutions will bring consumers faster relief than domestic drilling.

Rebates and Incentives for Drivers, NOT Big Oil:

Even with record breaking profits from high gas prices – \$123 billion last year for the industries top five companies – Big Oil still got \$18 billion in tax subsidies in 2007 from our tax dollars. We need to stop giving subsidies to Big Oil and start giving rebates to people

- **Consumer Rebate:** Provide a rebate check to immediately help drivers cover the increased cost of gas caused by our dependence on oil.
- **Tune-up America Voucher Program:** Provide \$100 voucher for a car tune up and maintenance which can save as much as \$271 per year in fuel costs starting immediately.
- **Pay as You Drive (PAYD) insurance program:** As the risk of collision increases with distance driven, PAYD insurance can provide immediate relief for those who choose to drive less which could provide an average savings of \$270 annually per household starting immediately.
- **Encourage smooth driving:** reducing speed by 5-10mph; avoiding rapid acceleration and aggressive driving, avoiding unnecessary idling: These simple actions can save up to \$294 per year starting immediately.

Provide Home Heating Help Before Winter:

Winter is coming and high oil prices impact families in cold climates even more than the rest of America as they have to pay at the pump and at home to keep warm.

- **Move to the end winter blues:** Provide a significant increase in funding for the Low Income Home Energy Assistance Program and Weatherization Assistance Program to ensure those who need it most will pay less on home heating oil.
- **Emergency Winterization:** By early fall, this program would provide incentives, grants or loans to all who weatherize their home before winter.

Rein in the Fat Cat Speculators: Out of control speculation in oil markets is a real problem. It artificially inflates gas prices. Reining in speculators will return sanity to the oil market and help reduce oil prices.

- **Return sanity to the marketplace program:** Establish position limits, better define differences between real commercial oil users and speculators, and close loopholes.

The four incentive programs listed to the left could put **over \$800 of relief in your wallet now.**

By contrast, drilling in the Arctic Refuge is estimated to reduce fuel costs by an average of **at most \$23 per person per year in 2026.** In reality it is quite probable that world oil demand will outpace the relatively small increase in supply and prices may not go down at all.

CHEAPER

With exploding world demand for a clearly limited resource, oil promises to only get more expensive over time. Furthermore, between multi-billion dollar oil subsidies, spill clean up costs, and the damage that oil spills and the burning of fossil fuels in general inflict, domestic drilling really will do more damage than good. Energy efficiency and renewable energy resources are the cheapest ways to decrease high bills in the short and long run. Unlike drilling, these solutions won't threaten our economic well being or environment and will save you money. The following are steps we can begin to implement today to reduce energy costs now and tomorrow.

Implement Higher Fuel Efficiency Standards: Oil savings from automotive efficiency dwarfs potential production from increased drilling. It also provides these benefits long before oil would even begin to flow from new drilling wells, creates jobs, and decreases environmental damage.

- **Improve fuel economy standards:** Light duty vehicle standards should be at least 35 mpg by 2015 and 50 mpg by 2030 which could save a cumulative 18.4 billion barrels of oil by 2030.

New drilling is estimated to give us **220,000 barrels** of oil per day (for a limited time) starting in 2025 and will damage to our coastlines.

Fuel efficiency of 35 mpg by 2020 is estimated to get us the equivalent of **1,000,000 barrels** of oil per day (indefinitely) from a drop in demand and will result in cleaner air to breath and fewer carbon emissions to pollute the atmosphere.

(Oil estimates from U.S. Energy Information Administration)

Out with the Old and In with the New: We need to help people get out of gas guzzlers and get into new, more efficient vehicles which cost less to fill up and helps reduce demand and costs for everyone.

- **Incentives programs:** Extend and expand tax incentives for purchasing energy efficient vehicles and help pay for it by ending tax incentives that encourage the purchase of gas guzzlers.
- **Gas guzzler retirement program:** help consumers get out of the old by providing a crush your guzzler voucher. This would lead to the early retirement of one million light trucks per year.

Keep Renewable Energy Industries Booming:

Renewable energy sources are essential for energy independence and long-term energy price stability. Congress needs to increase its investment in clean energy and increase funding to support emerging renewable technologies, high efficiency transportation, advanced biofuels, smart transmission and distribution (e.g. Smart Grids), energy storage, and building and industrial efficiency. Congress should start by renewing the tax credit for renewable energy technologies.

Transportation Alternatives and Commuting Programs:

With higher gas prices, public transit ridership is the highest in more than fifty years. Unfortunately, many areas are cutting their services to deal with higher prices and budget cuts. Additionally, biking and walking projects are neglected. The following steps will help consumers telecommute or have access to public transportation, and reduce overall demand for oil, lowering the cost of gas for those who have to drive.

- **Help consumers use alternative transport:** Provide tax incentives for public transportation and invest in updating and expanding public transportation capacity across the country.
- **Help businesses help their employees:** Provide tax incentives for businesses who allow employees to telecommute. Commuting by car just one day less per week can save an average **\$236** per year.

Driver and Homeowner Education: Simple awareness can go a long way. The Secretary of Energy should immediately conduct a nationwide media campaign to reduce petroleum consumption through education.

- **Smarter use program:** A program that educates consumers on where their energy comes from, how much they use, and what they can do to save money on their energy bills by increasing energy efficiency and use of renewable energy resources.
- **Drive cheaper campaign:** Information about how getting your car tuned up, taking junk out of the trunk, driving more slowly, properly inflating tires and avoiding quick starts would save fuel.
- **True costs campaign:** A Department of Energy asset rating system for all buildings and an energy efficiency rating system for homes so consumers know what the energy costs of a building or a home are likely to be before they buy it.

BETTER

The past eight years have clearly established that more domestic drilling does not lower gas prices. Since taking office the Bush administration has issued leases on over 26 million acres of onshore public lands, and the number of drilling permits issued rose from 3,802 per year in 2002 to 7,561 per year in 2007 (almost twice as many per year). And what happened? **The price of gas more than tripled!** With only two percent of the world's oil reserves and exploding international demand, the U.S. simply cannot bring enough oil to market to significantly affect oil prices. Oil shale, liquid coal, and tar sands are no solutions either. They are more expensive to produce than conventional fuels, and have enormous consequences for our air, water, climate, health, wildlands, and wildlife. It's time to switch to solutions that work.

In World War II, our country turned its industrial infrastructure virtually overnight from peacetime business activities to a wartime superpower that produced the tanks, planes, ships and other weapons that won the war. In the 1960's President Kennedy committed to putting a man on the moon in 10 years and by 1969 we were there. We can do it again and win our freedom from oil and lead the world in energy innovation.

Inspire Innovation: We need to be funding energy programs and projects that, like the Apollo Project of the 60's, will take our options to new heights.

- **Technology:** We need to invest in research, development and deployment of technologies that dramatically increase the efficiency of and alternative technologies – like hybrids and electric – for cars, trucks, ships, planes and trains.
- **Fuels:** We need invest in fuels research to ensure we make gains in renewable sources of energy like wind, solar and wave technology.

Regrow our Economy:

- **Retool America:** Invest in the American auto industry to help retooling and retraining for the production of advanced technology vehicles.
- **Match workers and jobs:** many of the new efficiency programs and new energy technologies require the same skills that hard working American's already possess. We need to share information about skill sets that are transferable to keep American's working.



- **Boost Worker Training:** The need for engineers, technicians, installers, inspectors and other experts is expected to increase significantly under a greener economy. Congress should help ensure the renewable energy economy has the workers it needs by fully funding the Energy Efficiency and Renewable Energy Worker Training Program authorized by EISA, to boost the employment opportunities of millions of Americans.

Better Buildings: Many buildings are exceedingly inefficient in their use of energy. We should set out to upgrade buildings with new energy efficiency gains.

- **New Efficiency:** Create new energy efficiency and weatherization requirements for new homes.
- **Updated Efficiency:** Create an existing building retrofit program to provide incentives to any party obtaining an owner's consent to undertake efficiency improvements in existing buildings.

Efficient Communities: America's communities have been mostly designed around the car. We need to update and improve our cities and towns by planning growth and development to take advantage of other transportation options and include energy efficient buildings and lifestyles including:

- **Planning:** Updating regional plans and zoning rules to locate job centers, retail, and housing in closer proximity.
- **Incentives:** Modifying the Low Income Housing Tax Credit to incentivize location of housing near transit and in walkable areas with a mix of uses.
- **Standards:** Providing agencies sufficient funding to set aggressive energy efficiency standards for appliances.

Real Energy Solutions

We are not going to end our addiction to oil overnight. But that doesn't mean we have to sacrifice our last protected wilderness areas to squeeze out the last drop of oil when it won't help us reduce prices and risks landing us with permanent damage. The oil industry already has drilling leases on 68 million acres public land that has not yet developed. The debate in Congress is not about stopping all oil development, it's about protecting our last few wild areas from Big Oil as we transition away from oil to better solutions.

The tools we need to begin to achieve our new energy future are already here and with public and political will we can make these, and new innovations, a reality. **Congress must not let Big Oil hold us back and instead implement FASTER, CHEAPER, BETTER solutions today.**



Big Oil spent over \$80 million last year on lobbyists to keep billions in subsidies for oil companies and to get access to more public lands for drilling. They have also managed to hijack the legislative process and hold every piece of energy related legislation hostage to drilling. If it doesn't contain drilling, it doesn't move. It's time to let Congress know that, that's not good enough. We want Faster, Cheaper, Better Energy solutions, not more risky oil!



YES TO FASTER, CHEAPER, BETTER ENERGY SOLUTIONS NOW

For additional information and the latest updates, visit www.defenders.org/energy