

Senator Brian Schatz (D-HI) hosted a discussion focused on his proposed legislation, the FAIR Energy Policy Act (S.2296). Here is a snapshot of the perspectives offered by OEP's diverse community of vetted experts.



*My legislation is based on a very simple idea. And that idea is that there ought to be a level playing field between fossil fuels and clean energy...The FAIR Energy Policy Act is about leveling the playing field and doing more to wean ourselves off of fossil fuels.*  
-United States Senator, Brian Schatz (D-HI)

To read the full discussion, please visit: [OurEnergyPolicy.org](http://OurEnergyPolicy.org).

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## Key Points: Put Energy Tax Preferences on a Level Playing Field

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### Leveling the Playing Field:

The same financial tools used for traditional energy such as Master Limited Partnerships should be expanded for the efficiency, storage, and renewable thermal and electric technologies and systems. Once we have balanced tax treatment, not picking winners, the market can respond. - [Scott Sklar](#), President, The Stella Group, LTD

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### Tax and Subsidy Reliability

The tax and subsidy plans need to be reliable enough to promote investment, whether for fossil fuels or renewables. Often times companies must make business decisions, and often deploy large amounts of capital, years before production actually begins. In the interim, demand for energy in general will continue to grow. If capital investment is not there today, the energy will not be there tomorrow. - [Jenna Delaney](#), Senior Energy Analyst - Bentek Products, S&P Global Platts

To argue for reliability in defense of the fossil fuel industry (again, clumped together) is somewhat hypocritical. Everyone wants reliability in order to make smart business decisions – the question raised by the bill is whether the energy industry as a whole should be on a level playing field in that regard. - [Peter McDonough](#), Adjunct Professor, University of Montana

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### Justifications for Fossil Fuel Subsidies:

There are no justifications for keeping fossil fuel subsidies in place. What is worse, the external costs of burning fossil fuels (the health, environmental, and climate impacts) are much greater than the subsidies. The economic benefits of using fossil fuels are short term, while the climate impacts last for hundreds to thousands of years. - [Dan Miller](#), Managing Director, The Roda Group

[I]t's important to remember that the products that are created from crude oil, natural gas, and NGLs cannot all be directly replaced by renewable energy sources at this time. Yes, tremendous strides have been taken regarding power sources and vehicle fuel needs, but those cannot be viewed in a vacuum. Other products made from fossil fuels include, jet fuel, asphalt, and the chemicals that are used and create plastics, just to name a few.  
- [Jenna Delaney](#), Senior Energy Analyst - Bentek Products, S&P Global Platts

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The fact is that bringing petroleum products other than fuel above their absurdly low cost has the same degree of social benefit as reducing our consumption of oil as a fuel. And the alternatives do exist or would be brought into parity once the market was finally incentivized to invest in their development (I can get a plant-based reusable bag at my grocery store, but it's more expensive than a toxic, "disposable" plastic bag; from an ecological perspective that should be reversed, but the market hasn't been incentivized to move that way while plastic remains so cheap). - [Peter McDonough](#), Adjunct Professor, University of Montana

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**Carbon Emissions:**

We must also implement a carbon pricing policy. The most effective, simplest, most transparent, and fairest carbon pricing policy is Fee and Dividend, where all the money collected is distributed to every legal resident on an equal basis. The second part of Fee and Dividend is the implementation of a border duty on products coming from countries that do not have their own price on carbon. Besides protecting American industry, a border duty will "encourage" other countries to implement a carbon fee. - [Dan Miller](#), Managing Director, The Roda Group

Reducing carbon emissions from fossil fuels can have far more impact on atmospheric CO2 concentrations than building renewables because of the scale of emissions involved from fossil fuels and the direct CO2 emissions reductions that result. By contrast, CO2 emissions avoided through new renewable generation capacity are constrained by renewables' smaller scale, the intermittency of wind and solar generation leading to lower capacity factors, the need for fossil load-following generation, and the fact that renewables displace existing grid power even in places where the generation mix is already less carbon intensive. - [Janet Gellici](#), Chief Executive Officer, National Coal Council

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**Accelerating Technology:**

It's obvious that policy and financial support measures are effective at accelerating technology deployment and reducing technology costs. If we are serious about achieving our climate goals, we would do well to enhance our support for technologies that can significantly reduce carbon emissions from fossil energy facilities – coal, natural gas and oil – that will be powering the economies of our nation as well as the global community for decades to come. - [Janet Gellici](#), Chief Executive Officer, National Coal Council

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**Reducing Fossil Fuel Consumption:**

Decreasing fossil fuel consumption will need to be a slow process. Refineries and petrochemical plants produce a mix of products. You cannot simply stop producing gasoline and diesel, but keep the asphalt and jet fuel if you haven't yet found an appropriate substitute for those. Additionally, many people fail to remember that plastic, which is made from oil byproducts, is in nearly everything we use these days. - [Jenna Delaney](#), Senior Energy Analyst - Bentek Products, S&P Global Platts

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