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Sen. Graham Slams Push for a 'Half-Assed Energy Bill'

By DARREN SAMUELSOHN of Greenwire

A key Senate Republican came out swinging today against the idea of passing just an energy bill and ignoring President Obama's call to also cap greenhouse gas emissions.

"It's the 'kick the can down the road' approach," said Sen. Lindsey Graham of South Carolina. "It's putting off to another Congress what really needs to be done comprehensively. I don't think you'll ever have energy independence the way I want until you start dealing with carbon pollution and pricing carbon. The two are interconnected."

Senate moderates from both parties -- including Agriculture Chairwoman Blanche Lincoln (D-Ark.), Budget Chairman Kent Conrad (D-N.D.), and Sens. Byron Dorgan (D-N.D.) and Judd Gregg (R-N.H.) -- are pushing Obama to accept an energy-only approach without putting a price on carbon emissions the way the House-passed bill (H.R. 2454 (pdf)) does.

"The larger reality is that the first thing on the energy priority list is a bill to reduce our dependence on foreign energy," Conrad said yesterday.

Obama even acknowledged the campaign to yank the cap-and-trade component out of Senate legislation yesterday during a town hall meeting in Nashua, N.H., the first time the president has gone on record discussing the Capitol Hill dynamic (E&E Daily, Feb. 3). "The only thing I would say about it is this: We may be able to separate these things out," Obama said. "And it's conceivable that that's where the Senate ends up."

But the president also insisted that he wants to put a price on carbon emissions. And he repeated his plea today during remarks at the Senate Democrats' caucus retreat, where he specifically singled out the work of Graham and Sens. John Kerry (D-Mass.) and Joe Lieberman (I-Conn.), the trio trying to come up with a comprehensive bill on both energy and climate issues.

"Don't give up on that," Obama said. "I don't want us to just say the easy way out is to just give a bunch of tax credits to clean energy companies. The market works best when it responds to price. And if they start seeing, you know what, that dirty energy is a little pricier, clean energy is a little cheaper, they'll innovate and they'll think things through in all kinds of ways."

Senate Majority Leader Harry Reid (D-Nev.) said yesterday that he is hoping to soon see a finished product from Kerry, Graham and Lieberman, adding also that the plan remains to bring the legislation to the floor in the spring.
But Graham pledged to fight back against Senate Democratic leaders if they ultimately heeded the moderates' call to just pass the Energy and Natural Resources Committee bill (S. 1462 (pdf)) that establishes a nationwide renewable electricity standard, along with a raft of other energy incentives, including a provision that could bring oil and gas rigs closer to Florida's Gulf Coast.

"If the approach is to try to pass some half-assed energy bill and say that's moving the ball down the road, forget it with me," Graham said, adding that the energy-only proposal does not do enough to promote nuclear power and it ignores revenue sharing for states that agree to offshore oil and gas exploration.

Text circulates

Kerry, Graham and Lieberman are circulating text on a number of key issues, including offshore drilling, natural gas and carbon capture and storage at coal-fired power plants, Graham said. And the South Carolina senator explained that the trio is still working with the White House on several different options for pricing carbon emissions, including a "hybrid system of the old cap-and-trade system."

Graham said he disagreed with the House-passed climate bill and a Senate counterpart approved by the Environment and Public Works Committee (S. 1733 (pdf)) that would curb greenhouse gases on more than two-thirds of the U.S. economy. "They're not business-friendly enough, and we're trying to make these carbon emission controls better business," he said.

As an alternative, Graham said the talks are focusing on both sector-specific emission limits and a "cap and dividend" proposal (S. 2877 (pdf)) from Sens. Maria Cantwell (D-Wash.) and Susan Collins (R-Maine) that auctions off allocations with the revenue returned directly to taxpayers. "It's just reality," Graham said. "Like with cap and dividend, there are some aspects that make sense. [And] the idea of a fee on carbon for some elements of the economy and a trading system for others."

While Graham would not name names, he insisted that the closed-door negotiations have actually started winning over lawmakers and interest groups. But he warned that now comes the even harder part of keeping everyone together while still netting more votes.

"We've done things on the energy side, we've got some buy-in from people on the left and the middle that I never dreamed of," he said. "I just hope we don't blow it. And from a Republican point of view, you've got the best chance you'll ever have to get meaningful energy independence. From the Democratic left point of view, you've got the best chance you'll ever have to have carbon pollution controls. Don't let it pass."

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