



**By Senator Jim Honeyford, Ranking Republican Member
Senate Water, Energy & Telecommunications Committee**

August 5, 2008

Dear Friends,

In this edition of the Senate Republican Caucus' *Energy Update* I would like to inform you of a couple of moves at the federal level that could reduce your energy costs, and what we could do here in Washington to reduce our dependence on foreign oil and further bring down prices at the pump.

I will also update you on the findings of two new reports that cast serious doubts on Governor Gregoire's Climate Advisory Team recommendations. These recommendations will be the basis for the majority party's radical environmental agenda in the new session and will possibly result in legislation that will limit your freedom and take more of your hard-earned tax dollars.

Senate Republicans support energy proposals aimed at reducing fuel and heating costs, creating jobs, protecting the environment, boosting national security and -- most importantly -- respecting individual choice and personal freedom.

Sincerely,

A handwritten signature in black ink that reads 'Jim Honeyford'.

President lifts executive ban on drilling and gas prices dip

Now is the time for Washington state to act!

On July 14 President Bush lifted an executive ban on offshore oil drilling on the Outer Continental Shelf (OCS). Although new oil exploration will remain off limits until Congress also takes action, the president's decision still had a major impact on oil futures and gas prices. In just two weeks the price at the pump dropped from nearly \$4.50 a gallon to a nationwide average of less than \$3.90 a gallon.

I applaud the President's decision to lift the executive order ban on drilling in the OCS and urge Congress to act immediately to help alleviate our nation's energy dependence on foreign nations.

According to experts, there are more than 18 billion barrels of oil, or approximately 10 years of current domestic supply, available in the OCS.

Unfortunately, the Governor and our state's two United States Senators appear unwilling to support this additional drilling even as their constituents pay the higher cost for fuel, food prices soar, and we see increases in prices for all products due to the impact of fuel cost on trucking. The average family is paying more than \$800 more because of gas than it was last year.

By not supporting domestic exploration, the leadership in D.C. and Olympia is, by default, supporting the high costs of fuel and the inflation it causes.



While Congressional Republicans are calling on Speaker Nancy Pelosi to call Congress back into session to deal with this important issue, I call on my colleagues in the Washington Legislature to begin taking steps to enact a responsible, environmentally-friendly energy agenda for our state. We need a comprehensive energy policy that will really save consumers money – not a hodge-podge of “feel good legislation” or a “cap and tax” system that just expands government and limits personal freedom.

A responsible energy policy must include more refinery permits, more nuclear power, more wind and solar, recognition of hydropower as a renewable fuel source, clean coal, tidal power, and natural gas. We also need to improve the power transmission capabilities throughout the Northwest.

Other specific steps we should consider include:

- encouraging expansion of refinery capacity through, among other things, a more reasonable permitting process;
- saving consumers money on their natural gas and electric bills through a cap on the public utility tax; and
- examining all environmental and biofuels policies to make sure they are in line with current science and still make economic sense.



Two new reports call into question validity of Climate Advisory Team's recommendations

A peer review of climate change recommendations from the governor's Climate Advisory Team (CAT) confirms what Senate Republicans have said all along: The benefits are drastically overstated and true costs are either understated or hidden entirely. The report found that the CAT recommendations give legislators no credible data with which to make policy.

The review, conducted by the Beacon Hill Institute at Suffolk University in Boston, said of the CAT report, "Its cost savings estimates cannot be believed, and it fails to quantify the monetary benefits of reduced carbon emissions." After analyzing the real costs and actual benefits, the Institute estimated a true net cost of the CAT recommendations to be more than \$4.2 billion.

"From the very beginning the majority of CAT team members had an agenda, and they pushed it through," said Sen. Jerome Delvin, R-Richland, a Climate Advisory Team member himself. "They allowed no debate, produced cost 'savings' that didn't make sense, and claimed that these savings offset what I could clearly see were enormous, economy-killing costs to businesses and consumers. When I brought up these concerns, I was repeatedly written off or ignored. It's great to see expert validation that my fears about the effect of these recommendations were right on target."

The Institute's cost-benefit analysis found the CAT report:

- does not quantify benefits so they can be realistically compared to costs;
- claims certain costs are actually benefits; and
- overcounts some benefits and understates or ignores huge economic costs.

"I have serious concerns," Delvin said. "If the present CAT recommendations are presented to the Legislature next year, the resulting legislation could be catastrophic for our state economy...."

A second report by the Science and Public Policy Institute found that Gregoire's proposals to deal with climate change would "have no impact on local, regional or global climate."

According to the report:

"... even a complete cessation of all carbon dioxide emissions originating in Washington state would produce no detectable or scientifically meaningful impact on local, regional, or global climate. Unfortunately, the same cannot be said for the economic, social and political consequences of greenhouse gas emissions legislation—they have been recently estimated to be large, and negative, for the citizens of Washington."

Washington is already one of the cleanest, most-environmentally friendly states, with most of our power being generated by clean, hydropower. As the report confirms, "Globally, in 2003, humankind emitted 25,780 million metric tons of carbon dioxide, of which emissions from **Washington accounted for only 0.31 percent.**"

Taken together, these two reports present serious questions about the Democrat legislative plan to add new taxes on engine size and miles driven, place carbon taxes on businesses, and introduce rationing of energy to address "global warming."

Senate Republicans will be introducing legislation next session to address our energy needs and protect our environment in a sensible, science-based manner that doesn't destroy our economy and liberties in exchange for feel-good-do-nothing measures.

The Beacon Hill Institute peer review is available at: <http://www.washingtonpolicy.org>.

The Science and Public Policy Institute report can be downloaded at <http://scienceandpublicpolicy.org>.

For more information, contact:

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Did You Know?

Hummer vs. hybrid

To many in the environmentally-conscious Pacific Northwest, it is a matter of faith that big SUVs are one of America's cardinal sins and the hybrid is our salvation.

But a new report is adding doubt to this conventional wisdom.

A new Oregon study ranks more than 300 vehicle models for their energy consumption - from the time the raw materials are extracted from the ground, the vehicle is built, the vehicle is driven and burns fuel, to recycling it at the end.

The Hummer ends up being less of a drain of energy in general than does the Prius. Researcher Art Spinella ranks the Hummer H3 at \$2.07 a mile and the Prius at \$2.87 a mile.



The Prius and the Hummer are both bad picks in the long run, according to Spinella, who said the vehicle at the top of his environmentally friendly list is the Scion XB because "it is easy to build, cheap to run and recycle and carries a cost of 49 cents a mile over its lifetime."
