

## Summary of Energy Policy Recommendations

If we act, the changes we need to make are possible without terrible economic dislocation. The more we dither, however, the worse the dislocation will be. No one initiative will solve our energy problems. The kinds of changes we need to make will require sustained effort over time. We need a consistent broad-based energy policy. From an environmental perspective, that policy should have as its central features the following:

1. Government should use its ability to educate, its purchasing power, its standard-setting authority, its incentive-providing authority, and its taxing authority to support energy conservation and increased energy efficiency. It is unglamorous, but it is the largest, most cost effective energy policy available.
2. Government should develop and require energy cost accounting methods that include the largest identifiable externalities (pollution, greenhouse gasses, and security).
3. Government should develop and require energy decision-making methods that overcome the divorce between those who make the energy decisions and those who pay the ongoing energy costs.
4. Just as price is included as part of every government decision and purchase, energy use should be considered as part of every government decision and purchase. Use of the most energy efficient option should be required unless it is unfeasible.
5. Government should use its funding authority to support research towards solving the problems associated with solar and wind energy: the unreliability of the energy source, the inefficiency of the technology, and the cost of manufacture.
6. Government should use its ability to educate, its purchasing power, its standard-setting authority, its incentive-providing authority, and its taxing authority to assist wind and solar energy to reach critical mass. Missouri's renewable energy portfolio standard is primitive and should be improved.
7. Government should identify and encourage exploitation of available large- and small-scale hydroelectric power opportunities.
8. Government should use its ability to educate, its purchasing power, its standard-setting authority, its incentive-providing authority, and its taxing authority to discourage development models that waste energy and to encourage those that are energy efficient.
9. Government should use its ability to educate, its purchasing power, its standard-setting authority, its incentive-providing authority, and its taxing authority to encourage the development of viable mass transit options.
10. Government should consider carbon taxation or carbon cap-and-trade systems. Their regressive effects should be offset with tax reductions or rebates, making the system revenue neutral.
11. Government should use its ability to educate, its purchasing power, and its incentive-providing authority to support slower population growth, and even population reduction. All of the energy problems we face are made more severe by expanding population.

