



5 Facts to Know About the Oil Industry's Campaign Against a Clean Energy Recovery

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It is time to repower America with a new energy plan for our economy, our security and our environment. President Obama has asked Congress to deliver comprehensive energy legislation that:

- Invests in clean, renewable energy sources and energy efficiency.
- Creates millions of new clean energy jobs.
- Cuts our dependence on oil.
- Holds energy companies accountable to reduce the carbon pollution that is accelerating global warming.

We should not wait to invest in better ways to power our future and to protect the planet. But oil companies are fighting back with an advertising campaign to stall progress and keep America's energy policy unchanged. Here are five things you should know about the campaign:

(1) The Scare Campaign Is Bankrolled by Oil Companies

The oil industry has launched a desperate media campaign calling the President's plan an "energy tax."¹ The same oil companies sponsoring this media campaign made \$155 billion in profits in 2007² (far more than the President's plan to spur clean energy investments would cost). These oil companies gave \$80 million to politicians in the past three congressional elections,³ and some of the politicians who have defended America's failed energy policy for years are now echoing the oil companies' scare campaign.

(2) Our Dependency on Fossil Fuels Is Draining America's Economy

We need to revive America's economy, not OPEC's economy. We are already spending more than \$400 million every day on foreign oil.⁴ If we don't act, increasingly expensive fossil fuels will stall our economic recovery. According to the Energy Department, America's energy bill will increase by \$420 billion annually within the next 5 years if we do nothing to reduce our dependency on oil and fossil fuels.⁵ That amounts to \$3,500 annually for every family in the nation, whether we are paying the bills at home or our employers are paying it at work.⁶

The more we rely on fossil fuels, the more they cost. Gasoline prices are fluctuating wildly. Coal prices have already gone up 67% in the last five years, driving an average 30% increase in electricity prices.⁷ Natural gas prices are up 42%.

(3) Clean Energy Creates Jobs

Clean energy solutions are economic solutions. The clean energy and energy efficiency industries in America already employ 3.7 million people, and we have only scratched the surface of the true potential.⁸ As part of a new energy era, millions of new jobs can be created to build, deliver and install clean energy across the country. And when we build clean energy technologies for America, we build the capacity to export these made-in-America technologies around the world. No nation in the world can outcompete America's innovation and our workers when we are determined to lead.

(4) Clean Energy Delivers Better Energy Choices

Americans deserve better energy choices that are cleaner and more affordable. Energy saving technologies and insulation can help families reduce their energy dependency everywhere today. Investing in renewable energy sources and infrastructure can deliver cleaner energy options to homes everywhere.

The more we invest in technologies that harness renewable energy and use energy more efficiently, the cheaper these technologies become. Renewable technologies are following a “learning curve” similar to computers and other modern technologies that get cheaper and more powerful as manufacturers innovate.

Clean energy technologies today are already far less expensive than in the past, which is why now is the right time to change America’s energy pathway. For example, the cost of solar technologies has been reduced by 90% in the last two decades.⁹

The more we invest in clean energy, the bigger the pay off. According to the Energy Department, companies that increase production of solar technologies 10-fold could reduce costs another 30% from today’s prices.¹⁰ The Energy Department also predicts that increasing wind power to provide 20% of America’s electricity supply would reduce the cost of wind technology by 10-35%.¹¹

(5) Investing in a Clean Energy Future Is the Affordable Path for America

We must invest money now to rebuild our energy infrastructure with smarter and cleaner technologies that are made in America. We have the technologies to act. According to a detailed technology analysis by McKinsey & Company, the United States can reduce global warming pollution by 30% through investments that, in their entirety, save as much money through lower energy bills as they cost.¹²

We need new energy policies to spur investment at the scale needed to break our dependency on fossil fuels. At the heart of any energy plan, we must hold energy companies accountable to limit and reduce their global warming pollution. Most global warming pollution comes from oil and coal. Placing enforceable limits on global warming pollution will immediately drive private investment in renewable energy technologies as well as efficient technologies that use energy smarter. The President’s proposal gives energy companies a head start to make clean energy investments now before limits take effect starting in 2012.

The Energy Department estimated last year that legislation to limit global warming pollution and invest in clean energy would lead to “a 3-percent increase in consumers’ total electricity costs.”¹³ The cost of not acting, however, is far greater. Electric power companies right now are trying to raise electricity rates across the country by much larger amounts because of the high cost of coal – for example, as much as a 50% increase over the next three years for parts of Ohio, West Virginia and the Midwest.¹⁴

Endnotes

¹ See www.energytomorrow.org, sponsored by the American Petroleum Institute, whose membership includes 400 oil companies.

² Congressional Research Service, “Oil Industry Profit Review 2007,” April 2008.

³ Source: Open Secrets, at www.opensecrets.org.

⁴ U.S. Department of Energy, Energy Information Administration. The U.S. imports approximately 10 million barrels of oil per day.

⁵ U.S. Department of Energy, Energy Information Administration, “Annual Energy Outlook 2009,” Table 3. “America’s energy bill” includes the total energy expenses for residential, transportation, commercial and industrial sectors.

⁶ Average based on 121 million households in 2014, as estimated by U.S. Department of Energy, Energy Information Administration, “Annual Energy Outlook 2009,” Table 4.

⁷ Prices reflect increases from 2003-2008. Source: U.S. Energy Information Administration, Short Term Energy Outlook, March 2009.

⁸ Roger Bezdek, Management Information Services, “Renewable Energy and Energy Efficiency: Economic Drivers for the 21st Century.” In addition to directly employing 3.7 million American workers directly, the clean energy and energy efficiency industries’ economic impact is estimated to employ another 4.8 million workers indirectly, for a total of 8.5 million jobs total attributed to the industry in 2006.

⁹ U.S. Department of Energy, “Solar America Initiative Fact Sheet,” October 2007.

¹⁰ Ibid.

¹¹ U.S. Department of Energy, “20% Wind Energy by 2030,” July 2008, pg. 40.

¹² McKinsey & Company, “Reducing U.S. Greenhouse Gas Emissions: How Much at What Cost?”

¹³ U.S. Department of Energy, Energy Information Administration, “Energy Market and Economic Impacts of S. 2191, the Lieberman-Warner Climate Security Act”

¹⁴ Reuters, “AEP seeks to raise Ohio power rates 15 pct/year,” July 31, 2008.