



“NEW ENERGY REALISM” AND AMERICA’S GROWING ENERGY ABUNDANCE

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A new paradigm has emerged in the United States which I call the “New Energy Realism.” During the 1970s, there was a school of thought asserting that U.S. energy production had peaked and would decline over time, resulting in a permanent energy shortage. Even if new domestic reserves could be found, it was thought, the high cost of extraction and environmental impacts would render them of little value. Consequently, governments sought to impose draconian regulations on energy. These energy pessimists could not have been more mistaken. There never was a shortage of energy, only a shortage of imagination and a loss of confidence in our own ability to innovate.

This alternative view was subsequently vindicated. While Washington clung to a mindset of scarcity and regulation, something very different began to occur elsewhere. Across the nation, innovation revived. Much of it took place in the Department of Energy’s national laboratories, but it did not stop there. In states like Texas, where I served as governor, taxes were reduced and regulations kept simple and transparent, providing people both the freedom and the incentive to innovate. And with innovation came a revolution in technology.

As a former Texas governor, I am proud that the breakthroughs in hydraulic fracturing and horizontal drilling – leading to America’s natural gas boom – started in my home state. And as U.S. Energy Secretary, I am also pleased that our national labs helped make this technology possible, achieving great gains that unleashed every energy source we had. With science and technology leading the way, the results have been astonishing.

From fossil fuels to renewables, supply rose, costs fell, efficiencies increased, and energy diversity blossomed. And the same technology revolution that was producing energy more abundantly and affordably and from a wider range of sources than anyone thought possible was also making our fuels cleaner. From 2005 to 2017, the United States led the world in reducing carbon emissions, by 14 per cent.

Our energy progress has been plainly evident regarding oil output. U.S. crude oil production rose from 5.4 million barrels per day (bpd) in 2010 to 9.3 million bpd in 2017. U.S. progress in natural gas has been no less impressive. Production has risen from 59.4 billion cubic feet/day (Bcf/d) in 2010 to 73.6 Bcf/d in 2017. The United States is now the number-one combined oil-and-gas producer in the world.

There is further good news on the U.S. energy front.

From tax reduction to regulatory reform, the Trump Administration has put Washington squarely on the side of energy innovation, technology, and advancement.

Consequently, U.S. policy now reflects the New Energy Realism. Rather than managing and regulating perceived scarcity, we are promoting abundance. Rather than accepting a false choice between economic and energy development and environmental protection, we are advancing both goals. Rather than choosing regulation, we are embracing innovation and the technological breakthroughs it unleashes. Rather than putting our thumb on the scale on behalf of one fuel over another, we back development of every energy source.

As a result, the United States is on the verge of energy independence and is on track to become a net exporter of multiple fuels. Already, the U.S. has become a net exporter of natural gas. After spending billions to build costly LNG import facilities to address a predicted domestic gas shortage, U.S. natural gas producers have now done a complete about-face, converting to export operations. To date, the U.S. has exported LNG to 27 countries on five continents. That includes India, signifying how the growing partnership between our two nations includes energy.

We are also increasing our coal exports substantially. These exports rose by an estimated 58 per cent in 2017 over the previous year, according to the EIA. In August 2017, the first shipment of U.S. thermal coal left the Port of Baltimore bound for Ukraine. This is clearly an outgrowth of the Administration’s efforts to revive coal by applying our technology to make it cleaner.

We are also striving to revive civilian nuclear power. We are encouraging the construction of new plants in the U.S. and abroad. Technological advances are also driving renewables growth. Solar and wind energy costs have fallen, triggering increased electricity output from renewable sources. U.S. companies are actively selling solar and wind solutions worldwide.

We invite all nations to share in the New Energy Realism. We encourage them to spur innovation and to spurn overregulation. Rather than forsaking fossil fuels, we urge governments to join us in finding new ways to make these plentiful energy sources cleaner.

The US is eager to do its part by sharing our energy bounty and our energy technology with the world, so that everyone can be a part of this bright new era of energy progress. ■