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The Painful Reality of Expensive Heat

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HIGHLIGHT

Home heat during winter months is an essential service. Recently, leftist politicians pushing bad ideas and inferior technologies have undermined the ability of our energy systems to meet this vital need, leaving some Americans out in the cold. We have the technology and wherewithal to reliably and affordably deliver home heat to all Americans, regardless of the weather. Our current downgraded energy system is both an embarrassment and a choice.

INTRODUCTION

Keeping homes warm during cold weather is a necessity for survival. While many Americans have come to accept a pricier bill during cold-weather months, this past winter has been especially expensive, and not because it's been especially cold. One consumer advocacy organization **projected** that Americans would spend $14.1 billion more on winter heating bills this year. These increased costs are harder on fixed- and low-income homes that have been forced to choose between heating and eating. Now, **one out of six** U.S. families has fallen behind on utility bills.

In some areas, access to heat isn't just expensive, it has been cut off by unreliable electrical grids and disruptions to energy supply chains. NERC, the national agency charged with assessing the health of power grids, has been sounding the alarm that large portions of the country are ill-prepared for winter weather. This proved a deadly reality during the recent blizzard in Buffalo, New York, where dozens of people lost their lives due to power outages and unheated homes.

These situations are avoidable. In the United States, we have both the technological capabilities and the wherewithal to build reliable energy systems equipped to deliver energy regardless of the weather. The problem is that the upkeep and investment of our energy grid are now guided by politics instead of engineering assessments and technical reality. Leftists at the local, state, and national levels have continually prioritized the wants of politically-connected activists over the needs of the American people. This has been made worse with technically-defunct promises to "end all fossil fuels," attempts to transition the grid by arbitrary deadlines, and a growing and dangerous investment trend referred to as Environmental, Social, and Governance (ESG).

The good news is that there are many ways to fix these problems built on one major theme: Strengthening our energy grid with proven technologies while encouraging continued innovation. Thoughtful policies aligned with this theme will produce a cleaner environment and growing economy while avoiding the range of current consequences.

THE 101 ON HOME HEAT: LOCATION LOCATION LOCATION

How we heat our homes is very dependent on where we live and what fuel sources are available. The main energy sources for home heat include electricity, natural gas, propane, and heating oil. Since 1940, the U.S. Census has been keeping track of regional differences when it comes to providing heat to help inform local utilities about current and future energy needs. The latest census reveals that 48 percent of the country relies on natural gas for home heat, 39 percent relies on electricity, and the remaining relies on a variety of propane, fuel or heating oil, wood (referred to as biomass), and solar. These energy sources are then used in a variety of technologies like furnaces, boilers, wood-burning pellet stoves, and radiators that distribute heat throughout one's home. Most modern fireplaces are solely for looks, but some are still used as a source of heat.

There are some interesting regional trends to consider. For example, if you live in the Northeast, the prevalence of heating oil is much higher. Around 5.3 million households rely on heating oil throughout the U.S., and 82 percent of them are located in the Northeast. In rural and remote areas like Alaska, wood-burning heat remains a primary source. In sunny areas with mild winters, solar heat is a growing trend. Some places that remain warm all year, including southern California, Nevada, and Arizona, rarely use any winter fuels.

We need to strengthen our energy grid with proven technologies while encouraging continued innovation. Thoughtful policies aligned with this theme will produce a cleaner environment and growing economy while avoiding the range of current consequences.

THE PROBLEMS WITH POLITICS & ESG

The present situation of degraded energy systems that are prone to disruption and price

spikes is a choice made by leftist politicians pushing bad policies. The White House's **net zero goals** and the **Green New Deal** are notable examples. Even though the American voters rejected the Green New Deal—it did not get a single **vote** of support when considered in the U.S. Senate—its programs are largely being implemented by regulatory fiat and encouraged by a misguided investment trend.

This is being done in the name of combating climate change and reducing emissions But ironically, this flawed approach ignores that we lead the world in overall emissions reductions because of advancements in the oil and gas industry.

These policies distort energy markets by applying funding and regulatory pressures to boost the development of wind and solar despite their unreliable nature and high costs. This, coupled with President Biden's "**whole of the government**" effort to curb the use of fossil fuels, has forced energy suppliers to make planning decisions based on political preference. As a result, funds are diverted away from maintaining energy systems we know can deliver affordable and reliable heat in the dead of winter and instead towards wind and solar that do not reliably work.

This problem is not necessarily the technology itself, but rather how it is being used. There is a role for wind and solar energy as well as other renewables in our energy grid. But these technologies work better as supplemental power, not wholesale replacements to coal, oil, natural gas, and nuclear that provide a constant, dependable, and predictable source of power referred to as **baseload energy**.

Baseload energy forms the foundation of a solid electrical grid, and the only renewable energy resource capable of providing baseload energy is **hydro**. Wind and solar on the other hand are variable, and only work when the wind is blowing or the sun is shining. As a result, these sources have low capacity factors, which is a technical term measuring the percentage of the time that wind and solar units actually produce electricity. Solar and wind have a 30 to 40 percent capacity factor. For comparison, coal, natural gas, and nuclear have capacity factors of 85 to 90 percent. As more and more fossil fuel plants are shuttered and replaced with sources that provide less than half the electricity originally produced, it becomes clear why rolling blackouts and brownouts are becoming more common.

A growing trend in the financial world is also making our degraded energy systems even worse. Referred to as **Environmental, Social, and Governance** (ESG) investing, certain investment houses like Blackrock, Vanguard, and State Street are using their financial might to push a woke agenda. The "E" standards are designed to shift **investment and credit** away from fossil energy companies and stunt high-cost improvements for affiliated infrastructure across the U.S. At a time when we need more domestic energy production and a shoring up of aging energy infrastructure, ESG is **purposefully** getting in the way.

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THE RISING COSTS OF SHORT SUPPLY & IMMEDIATE CONSEQUENCES

The squeeze on the electrical grid, complicated by more and more renewables, as well as the President's efforts to stop domestic production of coal, oil, and natural gas, has strained domestic supply. As resulting higher energy prices have hit consumer pocketbooks, the Biden administration has gone to great lengths to blame the Russian invasion of Ukraine as the culprit, but it's their policies aimed at ending fossil fuels by gutting U.S. production and development that have exposed U.S. energy markets to instability abroad. In fact, one **analysis** found that since January 2021, President Biden and congressional democrats have taken over 100 different actions that make it harder to produce oil and gas in the U.S. Accordingly, U.S. gas prices had **steadily increased** the 14-months leading up to the invasion.

Artificially-created domestic supply constraints as well as increased vulnerability to the international markets led the Energy Information Administration to predict record-high home heating costs this winter. Compared to the winter season of 2020-2021, American households are **projected** to spend 28 percent more on natural gas, 27 percent more on heating oil, 10 percent more on electricity, and 5 percent more on propane. Across the nation, families will spend $14.1 billion more on home heating costs this winter. This increased cost for home heat is a strain on family budgets already suffering from inflation.

Low- and fixed-income Americans that spend a higher amount of their discretionary income on energy bills are hit especially hard. A recent **survey** assessing the impact of high energy costs on low-income households in the U.S. found some disturbing trends:

OF THOSE SURVEYED

36%
went without food for a day

41%
went without medical or dental care

31%
did not fill a prescription or took less than prescribed to stretch the supply

While some left-leaning advocates want to focus on "climate justice" and the disproportionate impact of emissions on the health and future of low-income populations, there is not enough focus on the disproportionate economic burden these populations carry under policies that purport to improve the climate (but very often do not achieve this goal).

THE FALSE NARRATIVE AROUND CLIMATE

Proponents of the policies that have downgraded our energy systems will argue that the immediate consequences are necessary for the purposes of transitioning the grid to address climate change. They often use fear-based rhetoric to either shame or shut down critics, but when looking at the facts, the U.S. has a good track record of adapting to our changing climate as well as reducing emissions.

Deaths affiliated with natural disasters have fallen by over **95 percent** because of technological advancements and modern infrastructure built to withstand extremes. In fact, the majority of weather-related deaths today occur in developing countries that lack modern infrastructure because they lack reliable access to affordable energy

from fossil fuels. To date, the most successful technologies in reducing overall emissions have been **hydraulic fracturing** alongside **advanced pollution control systems** used across all energy sectors. This is why the U.S. continues to lead the world in **reducing** greenhouse gas emissions and improvements to overall environmental health. We do not have to choose between a robust energy industry that delivers stable, affordable energy and a lower emissions future.

A PRAGMATIC PATH WITHOUT THE PAIN

There are numerous tools and policy options available today that could restore our energy systems and deliver a steady supply of affordable heat. Even in areas prone to extreme winter weather, smart investments coupled with pragmatic policies can keep heat pumping when temperatures drop and demand spikes.

Focus on What Works: Fossil fuels provide the bulk of energy we use every day, and that energy use is expected to grow. Policy leaders must accept this fact. Instead of working to ban their use, they should support efforts to make them cleaner and more efficient, not shut them down.

Stop Taxpayer Funded Market Distortions: Investment and Production tax credits entice power providers to build out wind and solar projects that will not reliably work. Ending these specialized subsidies—that were indefinitely extended in the "Inflation Reduction Act"—will improve competition that can cut costs and strengthen stability.

Protect the Foundation: Baseload energy is the most important part of a stable energy grid. Policy leaders must consider ways to account for the value of baseload energy, especially with on-site fuel storage that can withstand any supply disruptions. Advanced nuclear power is also very promising and a great source of baseload energy. Policymakers should streamline permitting requirements and cut red tape which would help the growth of new technologies.

Restore Flexibilities to Grid Operators: Ensure grid reliability or resiliency standards are technology neutral so grid operators and engineers have the flexibility to plan for and respond to major swings in demand.

Encourage Responsible Innovation: Congress and administrative agencies like the Department of Energy and Department of Defense are a helpful tool in commercializing promising technology. However, these funds must be administered with proper oversight to protect taxpayer investments and avoid **Solyndra**-like scenarios.

Establish Balanced Environmental Standards: Set environmental standards based on proven, not prospective, technologies with flexible timelines for compliance.

Unleash U.S. Oil and Gas: Revoke Biden's anti-fossil energy policies and his new tax on natural gas, cut red tape, open up public lands and waters to development, and support the development of affiliated infrastructure including refineries and pipelines.

Support a Modern Workforce: Expand training programs for prospective and current energy workers through apprenticeships and STEM-focused development.

Reject ESG: Ensure access to capital and credit is based on a company's merit and not compliance with arbitrary versions of political correctness from the Left.

With the right policies in place and a pragmatic mindset from our leaders, we can build strong energy systems that reliably deliver low-cost heat whenever it is needed.

WHAT YOU CAN DO

Get Informed

Learn more about the U.S. energy industry and home heat. Visit:

- U.S. Department of Energy
- Energy Talk Points by Alex Epstein
- Magnolia Tribune

Talk to Your Friends

Help your friends and family understand these important issues. Share this information, tell them about what's going on and encourage them to join you in getting involved.

Become a Leader in the Community

Start an Independent Women's Network chapter group so you can get together with friends each month to talk about a political/policy issue (it will be fun!). Write a letter to the editor. Show up at local government meetings and make your opinions known. Go to rallies. Better yet, organize rallies! A few motivated people can change the world.

Remain Engaged Politically

Too many good citizens see election time as the only time they need to pay attention to politics. We need everyone to pay attention and hold elected officials accountable. Let your Representatives know your opinions. After all, they are supposed to work for you!

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Independent Women's Forum (IWF) is dedicated to building support for free markets, limited government, and individual responsibility. IWF, a non-partisan, 501(c)(3) research and educational institution, seeks to combat the too-common presumption that women want and benefit from big government, and build awareness of the ways that women are better served by greater economic freedom. By aggressively seeking earned media, providing easy-to-read, timely publications and commentary, and reaching out to the public, we seek to cultivate support for these important principles and encourage women to join us in working to return the country to limited, Constitutional government.