Published on *Adam Smith Institute* (http://www.adamsmith.org)

Get ready for the energy wars [1]

Written by **Dr Fred Hansen** [2] | Wednesday 2 January 2008

The US has sustained a series of energy bills with the intention to foster energy efficiency. But they have caused lots of headaches for consumers and are likely to cost a lot of money. Rent seeking special interests from the burgeoning eco business are rolling their pork barrels all over the place. Just look at the 1992 US Energy Policy Act.

Implemented in 1994 it forced millions of Americans to install water-saving toilets. But they performed so badly that people mostly had to flush twice, actually increasing water usage. Or the 2005 energy law that prescribed that agricultural-based ethanol must be mixed into the gasoline supply. Since then we learned that the energy and water needed to produce ethanol is huge, and also that biofuel production has driven up food prices. On top of that, ethanol generates less energy during combustion because unlike fossil petrol it is already partly oxygenated.

Despite these well documented shortcomings the latest US energy bill, which just passed Congress, includes a fivefold increase of ethanol in the gasoline mix. Other provisions likely to backfire are for new, supposedly energy efficient devices such as new light bulbs, boilers, refrigerators, dishwashers, cloth washers and air conditioners. Ben Lieberman, a senior policy analyst at the Heritage Foundation, got it right when he said [3] the following:

> *There shouldn?t be any mystery why these laws fail. They all involve Congress trying to force the public into using something the market place has rejected. If newfangled toilets or increased ethanol usage actually made sense, they would catch on without heavy-handed government mandates. Ditto the required modifications to appliances. More often than not, this kind of government interference with the free market works to the detriment of consumers. Washington may think it is passing energy bills, but all it?s really doing is proving the law of unintended consequences.*

blog comments powered by Disqus [5]

Source URL: http://www.adamsmith.org/blog/environment/get-ready-for-the-energy-wars

Links:

[1] http://www.adamsmith.org/blog/environment/get-ready-for-the-energy-wars
[2] http://www.adamsmith.org/taxonomy/term/5857
[3] http://www.foxnews.com/printer_friendly_story/0,3566,317852,00.html
[4] http://disqus.com/?ref_noscript
[5] http://disqus.com