# Under-the-Radar Initiative Could Result in Higher Gasoline Prices

**By State Rep. Rich Collins**

An announcement made just before Christmas last year went unnoticed by most Delawareans, but it could be leading to higher costs for motorists.

On December 18, Delaware officials announced the state was joining the Transportation & Climate Initiative (TCI) – a coalition of nine Northeast and Mid-Atlantic states to design a new regional low-carbon transportation policy to cap and reduce carbon emissions from transportation fuels and invest proceeds into "a low-carbon … transportation infrastructure."

Carbon emissions are generated from using traditional fuels. TCI proponents maintain that approximately 40% of regional greenhouse gas emissions come from the transportation sector. TCI's proposals will impact every Delawarean driving a gasoline or diesel vehicle.

With regard to the TCI, Delaware Department of Natural Resources and Environmental Control (DNREC) Secretary Shawn M. Garvin said: "The need to address climate change … has never been more urgent. Climate change is no longer merely a threat to future generations; rising seas, excessive rainfall, and increasing temperatures are already impacting Delaware's infrastructure, economy, and quality-of-life."

Despite the announcement, and a link on DNREC's website, the agency seems less than interested in promoting its work on this initiative. I have spoken to dozens of legislators, business owners, and people in the transportation industry and not one has had any significant knowledge of the TCI or its goal to finalize the program's design by the end of this year.

This is not the first time Delaware has agreed to take part in climate change activism.

In 2008, Delaware helped establish the Regional Greenhouse Gas Initiative to reduce greenhouse gas emissions from electricity generators. The 10-state RGGI set-up a cap-and-trade program for carbon dioxide emissions by power plants. Any generator exceeding the cap needs to purchase RGGI carbon credits, with the proceeds kicked back to the member states.

The entire endeavor turned out to be unneeded. About the time the RGGI was established, new fracking technology was being implemented, making accessible vast deposits of natural gas that had previously been trapped in shale formations, dropping the price dramatically. According to the U.S. Energy Information Administration (EIA), the spot market price for natural gas fell nearly 80% between June 2008 and April 2019.

According to EIA figures, Delaware generated 87% of its electricity from natural gas in 2017, almost five times more than its share a decade earlier, whereas coal generation fell to 4.7%, down from 70% a decade earlier.

Natural gas reportedly emits 50 to 60 percent less carbon dioxide ($CO_2$) when utilized in efficient turbines as compared to emissions from a typical new coal plant.

Market conditions, not the meddling of the RGGI, caused a significant drop in $CO_2$.

That is not to say the RGGI has not had an impact. Since the organization was founded, the state has reaped a total of nearly $122.9 million primarily earmarked for sustainable energy spending of questionable value. That money came from electricity generators, who undoubtedly passed those increased costs along to Delaware ratepayers.

The most recent federal government data reveals our state has higher electricity rates than most others. Our residential rates are higher than those charged to the residents of 29 other states. Twenty-eight other states have less expensive commercial electricity rates – placing Delaware at a competitive disadvantage.

We now appear to be poised to repeat the mistakes of the RGGI with the new Transportation and Climate Initiative. Seven of the TCI states are also RGGI members.

The TCI seeks to "cap and reduce carbon emissions from the combustion of transportation fuels." To carry out these goals, the TCI's policies must make fossil fuel vehicles more expensive to drive while incentivizing the ownership of electrics.

I believe the TCI will follow the RGGI playbook, targeting refineries and wholesalers, forcing them to purchase $CO_2$ credits. That expense will be passed downstream to motorists. However, unlike fuel taxes, which are known amounts, these costs will be concealed from those that are getting their pockets picked.

These covertly obtained proceeds will likely be used to build electric vehicle charging stations and subsidize the purchase of electric cars. In fact, the drivers of traditionally powered vehicles will be doubly saddled by also picking up the full tab for road maintenance – costs that are primarily financed with the state fuel tax.

As was the case with the RGGI, the TCI's implementation will almost certainly require both new laws and regulations. I will be opposing any plan placing new hidden taxes on Delaware residents. We should not be imposing additional burdens on our citizens, impairing our businesses' ability to compete, and creating yet another layer of state bureaucracy in pursuit of a political agenda of unproven effectiveness.