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Lack of vision on policy clouds energy future

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Late last month, President Bush unveiled five new energy "initiatives" as solutions to our energy, security and economic ills. None of them addresses any of the real issues facing the country, and in total they demean our country's capacity to take control of our energy future, ignoring the ways we can solve our energy problems by promoting economic growth, technological innovation and environmental protection.

There is no industry more important to the economy of the United States, California and the world than energy. It is by far the largest business on the planet and has the greatest impact on job growth as well as on the quality of the environment. But this nation and our president have been treating energy as an afterthought.

The president's "plan" will facilitate the import of liquefied natural gas and the construction of added refineries, and it will encourage the use of some improved diesel fuels. These are fine footnotes in a true energy package, but they only serve to extend or expand our dependence on oil, widen the trade deficit and put American troops needlessly in harm's way.

In addition, the president proposes to streamline the licensing of new nuclear power plants, which may be good for a very few companies hoping to sell today's technology. But this proposal fails to address the problematic economics of the nuclear industry, the management of nuclear waste or the long-term issue that unless we are prepared to build hundreds of nuclear plants, there will be no significant impact on global warming, which is the real threat to our economy and lifestyle.
The real issue, in fact, is that today our energy economy lacks the diversity it needs to respond to the inevitable economic, political and environmental shocks that history has demonstrated occur frequently. By contrast, the initiatives presented by the president signal to American industry that investment in truly innovative technologies and economic leadership is not a national priority.

A true energy policy, one worthy of presidential endorsement, would have several key components:

-- First, the United States needs to recapture the mantle of leadership in innovative renewable-energy technology and policy. Today, orders for wind turbines are flooding Danish and German factories. Germany, in fact, also has almost three times the total installed wind capacity as the United States, with a resource less than that of North Dakota alone, according to an analysis of data from the American Wind Energy Association and other sources. The global market for photovoltaics -- solar cells -- has, like the wind industry, grown by more than 20 percent a year for the past decade, according to the San Francisco solar-energy research firm Solarbuzz, Inc., and yet the United States lags behind Japan and Germany in producing and installing this local and secure source of power.

-- Hybrid vehicles, the hottest-selling cars on the market today, are almost entirely imported from Japan. This industry produces high-quality jobs that could be based in the United States but increasingly go overseas.

-- The president should make raising the average fuel efficiency of our vehicle fleet a national priority. More oil can be saved, and far more cheaply, through this mechanism than any other action.

Individual states are getting the message, even if the federal government is not. Important innovations taking place at the state level would be made far more efficient with federal support. Eighteen states have adopted renewable energy portfolio standards that require a percentage of electricity to come from renewable energy sources. Adopting a federal standard, or providing benefits to states that do, sends a critical signal to industry: If you build it, a market awaits.

California stands to benefit significantly if the country were to invest in our energy future -- not simply subsidize our past. Californians have already shown what is possible with the adoption of a strong energy portfolio: the Vehicle Greenhouse Gas Reduction Bill (passed in 2002 but facing a court challenge by automakers) will reduce greenhouse-gas emissions from vehicles 30 percent by 2016, and the Million Solar Roofs Initiative (SB1), if passed, will provide demand for clean solar-energy technologies. Federal leadership would expand these sorts of programs to our mutual benefit.

Finally, instead of denying and impeding international treaties such as the Kyoto Protocol to limit the emissions of greenhouse gases, the federal government needs recognize
the business potential in leading the fight to safeguard the planet. Business opportunities abound in developing and selling solar panels, wind turbines and gasifiers that turn agricultural waste and crops into a truly natural gas, as well as developing a new generation of energy-efficient appliances.

Taken together, these advances could evolve our economy from one of energy "hunter-gatherers" to one of "energy farmers" -- from a reliance on a precarious and tremendously expensive traditional supply to meet a steadily growing demand, to one that emphasizes a full range of energy supply, efficiency and demand-management technologies. That's a policy worthy of presidential support.

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