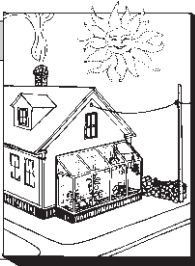


Energy Policies Put Future at Risk

by Alex Wilson



Every year or so, the editors of this fine publication make the mistake of letting me write a column on the energy picture—the big picture. I'm allowed to abandon, for a moment, the usually down-to-earth nature of my columns in favor of prediction and opinion. I promise to return next month to more practical day-to-day matters.

Backsliding

But this is an interesting time to be looking at the energy picture. Our dependence on foreign oil has increased dramatically in the last few years. We currently import about 40 percent of our oil, up from 33 percent in 1973 (just before the OPEC oil embargo). The Reagan Administration predicts that our dependence on foreign oil could exceed 50 percent by the mid-1990s. (This increasing dependence on imported oil is a big contributor to our continuing balance-of-trade deficit.)

We have been spending three-quarters of a billion dollars a week to protect our oil interests in the Middle East, or so says former Navy Secretary John Lehman. The recent influx of warships, an aircraft carrier, and some 50,000 U.S. troops to the Persian Gulf (as of this writing) means even greater expenditures. All this amounts to a very large subsidy to the oil industry.

Demand for electricity is rising more quickly than capacity, at least in the Northeast. This trend, coupled with the fact that several nuclear plants were down at the same time last summer, resulted in the first region-wide brown-outs in recent memory. Voltage was reduced 5 percent by the New England Electric Power Pool (NEPOOL) on July 24th, and similar measures were taken by the Mid-Atlantic power pool on August 17th.

The New Hampshire Public Service Company recently defaulted on a \$39 million dollar loan payment, making it the first major utility since the Depression to find itself bankrupt. This is due, of course, to its multi-billion dollar investment in the Seabrook nuclear power plant, which has been unable to obtain an operating license because of emergency evacuation concerns in the crowded vacation area where it is located. New Hampshire and many other areas of the country face the prospect of dramatic increases in electricity costs over the next several years as nuclear plants come on line and their costs are entered into the rate base.

While all this is happening, the Reagan Administration has been trying to reduce funding for conservation and renewable energy programs, relax auto efficiency standards, and abolish appliance and building efficiency standards. Reagan has not been successful in all of these efforts, but his impact has been sorely felt.

Largely because of reduced federal involvement, the U.S. has lost its position as world leader in a number of important energy technology areas, including photovoltaics. Japan now firmly holds that position. Even Italy is spending more on PV research than our Administration wants to provide.

The Administration's solution to our rising dependence on imported oil, along with a showing of military might in the Persian Gulf, has been a series of proposals to help the oil and nuclear industries. They want to lift the windfall profits tax on oil companies. They want to open up oil exploration on federal lands. They want to somehow revitalize the nuclear industry (which hasn't had a new order for a plant in ten years and which has cancelled every plant ordered since 1974).

Energy Use Stable

To put it simply, our national energy policy is misguided, corrupted by big industry interests, and leading us down a risky path which could haunt us and our children for decades. The conservation and efficiency improvement efforts since the mid-seventies have been phenomenally effective. From 1973 through 1985, total U.S. energy use remained at 73 quadrillion Btus (quads), even with the real gross national product increasing 33 percent during the same period.

The energy conservation efforts of builders, industries and homeowners, and effective government and private organization efforts can be thanked for this phenomenal statistic. Yet Reagan and his aides dismiss conservation efforts. They suggest that free market forces, should be credited with all the reductions in energy use—a suggestion that implies federal policy making, and the efforts of several past Administrations, both Republican and Democratic, have had no effect.

Increased energy standards in residential building are already saving 15 to 20 billion dollars per year. The use of low-e glazings in windows alone will save \$3 billion per year by 1995.

We need a change. Whoever becomes our next president must have respect for his role in energy policy. In the meantime, the rest of us will do well to remain attentive to energy use in the building trades. Our

work is having a big impact on national energy consumption, and it will continue to do so. For example, the use of low-emissivity glazings in windows will save \$3 billion per year by 1995. More efficient refrigerators and heating systems will save \$7 billion per year by the late 1990s. Increased overall energy efficiency standards in residential buildings are already saving an estimated \$15-20 billion per year.

This is a lot of savings, no matter how you look at it. And experts say that future savings can be even greater. But it will take increased research on energy conserving technologies, effective demonstration programs, implementation of the right kind of government incentives, and, perhaps most importantly, a renewed interest in energy conservation by the nation's highest elected officials. Our federal government has an important role to play in guiding the nation's energy policy. It's time for them to stop ignoring that responsibility and move forward with effective programs. ■

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