

Moderate Republicans Discuss Energy at Convention

Richard Eidlin, St Paul, MN – September, 2008

Billed as a gathering of the Republican Party's centrist wing, the Tuesday Group organized an Energy Forum during the opening day of the GOP's national convention. Attended by 125 persons, the program emphasized a balanced energy strategy, albeit with far more attention directed towards expanding the use of nuclear power and oil and gas drilling than to conservation, solar or wind.

Illinois Congressman Mark Kirk opened by noting how active he and his Tuesday Group colleagues had been recently in working to reach consensus on a bi-partisan energy policy. Chiding House Speaker Pelosi for adjourning Congress without reaching an agreement on offshore drilling, he called for a renewed push come late September. He also stressed the importance of having 'consistent federal policies' in place to support a Production Tax Credit and additional conservation credits for hybrid vehicles.

The Tuesday Group is a Political Action Committee that includes close to forty House Republicans, representing the 'mainstream' Republican agenda on a range of issues.

Former EPA Administrator, Christine Todd Whitman began her talk by saying that House Speaker Nancy Pelosi 'should be ashamed of herself for letting Congress adjourn without resolving the energy issue'. Referring to a study projecting US energy growth will increase by 25% by 2030, Whitman said 'conservation will not be sufficient to address our energy demands'. (*It's worth noting that California has managed to flat line its energy usage since 2000 through aggressive energy efficiency measures*). Yes, the federal government has a role to play in supporting R&D, she noted, but 'renewables will not be enough'. A key strategy for achieving energy independence, Ms. Whitman argued was nuclear energy, which she added 'can help address climate change'. Expanded oil and gas drilling is necessary, she argued. Claiming that American's '...want easy answers', Whitman said we'll never get away from using coal, but do need to migrate towards low sulphur coal, and make use of underground injection.

Michigan Congressman Fred Upton (the third most senior Republican on the House Committee on Energy & Commerce) lamented the stalemate on Capital Hill by noting that 'we have not dealt with the big issues of the day.' Electricity use, he noted, will grow 30% by 2030, thus requiring more oil shale, oil and gas drilling in the US, especially in CO, WY, UT. Another priority is to access tar sand reserves in Canada, 'before they're sold to the Europeans'. Congressman Upton also saw expanded nuclear power as vital to our energy and economic security. Senator McCain's call for forty-five more plants will create thousands of good jobs, he argued, with 85% of the component parts coming from the U.S. The \$10B per facility price tag was noted without comparison to bringing an equal sized wind farm on line.

Congressman Upton argued that the price of oil had fallen in response to the 'drill now' discussion on Capital Hill. He also suggested that nuclear should be part of the national

Renewable Portfolio Standard (RPS) and criticized Congressman Udall for not supporting this idea, thus guaranteeing the bill's defeat in the Senate.

As The Economist has repeatedly cited, nuclear power is decidedly expensive. Even disregarding safety, security and subsidy issues, it will cost at least 12 cents per kilowatt-hour to build and run a new plant. Efficiency services in contrast, deliver four to twelve times the service for the same kWh. And wind, which accounted for 35% of all new domestic electricity brought on line in 2007, is now cost competitive with coal at 5 cents per kWh. From a carbon mitigation perspective, wind displaces 12 kg CO₂, while nuclear displaces 8 kg of CO₂ per 2007 dollar invested.

Martha Marks, Executive Director of Republicans for Environmental Protection said 'its easy being a green Republican'. This statement should not be seen as an oxymoron, as Republicans dating back to President Roosevelt have emphasized conservation. It was Richard Nixon who created the Environmental Protection Agency, she reminded the audience. The GOP has unfortunately developed a 'sad' reputation, which Senator McCain is well positioned to reverse, having devoted considerable political capital on environmental issues. The GOP must take the lead on environmental issues, Ms Marks noted, adding that 'we should own the environmental issue. We know how markets work and believe in innovation.'

Congresswoman Shelly Moore Capito of West Virginia noted the importance of coal to the nation and her state, where 98% of the electricity comes from coal.

During the Q&A period, several of the speakers expressed concern over potential rolling brownouts as electricity use increases. The solution, repeated over and over was not greater conservation, but more drilling.

It's worth noting that Senator McCain has voted eight times 'No' to extend the PTC for wind. While calling for fast-tracking subsidies for nuclear power and coal plants, Senator McCain told Grist magazine last October that 'I'm not one to subsidize things. The wind industry is doing fine'. This statement seems to defy the fact that the playing field for renewables is not now and has never level with oil, gas, coal or nuclear. Only one of the top ten major wind manufactures are now US owned. None of the top ten solar manufacturers are U.S. owned. While, the United States is considered the best market for solar and wind in the world, the nation is losing its competitive advantage as technologies are commercialized elsewhere.

As Governor Whitman noted, 'we need leadership' I agree. That leadership needs to come in the form of consistent long-term federal incentives for solar, wind, a national RPS, stronger procurement policies, and support for co-generation (waste heat for buildings) and advanced battery technologies. The U.S. Congress and White House need to support a retooling of our manufacturing sector towards clean energy products. Doing so, will create good jobs, control rising energy prices and address climate change.

The 'drill baby drill; drill now' refrain, while compelling will not solve our energy issues.