

Energy Insider by Marsha Freeman

Bush's energy plan is a hoax

The just-released National Energy Strategy is designed so that energy production will not be increased.

The stated goal of the just-released National Energy Strategy is *not* to increase the availability of a reliable supply of affordable energy, but to reduce the rate of growth of energy production and consumption in the United States, so that more energy doesn't have to be produced. Though it is, in reality, the high per capita consumption of energy in the U.S. which is the single most important indicator of our standard of living and productivity, the report's recommendations are based on the upside-down proposition that the production and consumption of energy is bad for the environment, the economy, and future generations.

The claim is made that the rate of growth of energy consumption can be slowed with no adverse effect on the rate of economic growth. Unfortunately, "economic growth" is defined as an increase in the Gross National Product. As even the energy strategists admit, GNP has become increasingly composed of non-productive "service industries" which do not consume much energy, nor do they produce our physical means of existence, which has been vanishing.

Each proposal in the National Energy Strategy, with attendant claims as to what it is supposed to accomplish, is a hoax. In most particulars, the opposite effect will result.

The claim is made, for example, that invoking the "free market" through deregulation, in order to "increase competition" in the electric utility industry, will cheapen the cost of electric power. But the recent spate of bankruptcies in the deregulated air-

lines industry might have given the authors a hint of the impact this policy would have.

Actually, such a policy, which was first begun during the Carter administration, will turn the most reliable electric power delivery system in the world into a chaotic mess.

The strategy calls for the electric transmission system, which is extremely delicate and highly coordinated and regulated, to be open for "third-party suppliers." This would include small operations, producing electricity perhaps from a water wheel in the backyard or other "alternative energy" sources. Access to the transmission system by these unreliable operations could introduce unimaginable headaches for engineers who manage the complicated flow of electricity through thousands of miles of high-voltage lines throughout the nation.

The same is the case with deregulation of electric generating suppliers. The price the U.S. consumer pays for electricity is as low as it is, not because of "free market competition," but because of the opposite—economies of scale which resulted from *large, centralized* generating facilities which could make use of the most advanced technology. Solar collectors, windmills, and waste recycling plants will *increase* the cost of electricity, because they are inherently inefficient, unreliable, and small scale.

The Energy Strategy claims that the "free market" should determine which energy sources are used. But the report proposes that the government *subsidize* uneconomical "alter-

native" fuels, such as extending the tax credits passed in 1990 for ethanol. Tax dollars will also be funneled through the Department of Energy budget to these alternatives, which is slated for a 30% or more increase in funding for renewable energy "technologies" in fiscal year 1992.

The Energy Strategy has been roundly attacked for supporting the increased use of nuclear power. The report brags that if its recommendations are followed, nuclear power will generate 21% of U.S. electricity by the year 2030. But if that sounds impressive, bear in mind that nuclear power plants provided 20% of U.S. electricity last year.

In order to even hold that percentage, it is true that new nuclear plants will have to be built, because the power grid as a whole will increase in size. But the Energy Strategy purports to do nothing for the *next 25 years* in terms of building new nuclear plants, despite all its blather about reforming the licensing process.

The "nuclear" initiative for the near term is to extend the operating life of existing plants, squeezing every last ounce of power out of outdated technology, rather than pushing aggressively forward on second-generation standardized and high-temperature plants.

There is no effort in the plan to accelerate the lagging nuclear fusion research program, though this technology will provide an unlimited source of high-quality energy. Since the passage of the Magnetic Fusion Energy Engineering Act of 1980, the fusion program has shrunk by more than one-third in size and funding, and this past year witnessed the shutdown of key experiments.

This Energy Strategy will not produce more energy, will not make energy cheaper, more secure, or environmentally benign.