

# Better way to climate, energy future

By SCOTT DENMAN  
and ED SMELOFF

Too much heat and too little light are being generated right now inside the Washington Beltway on the issue of global warming. Some electric utilities and allies in the coal and nuclear industries claim only coal or nuclear reactors can meet future energy needs and combat global climate change. They say there is no other way.

However, beyond the Beltway there is clear evidence there is another way. There is a prosperous new direction — without using more polluting coal or building more expensive, dangerous nuclear reactors.

This "third way" takes advantage of America's vast — and easily recovered — energy efficiency "reserves" (about half of all energy now used could be eliminated through technological advances) and dramatically expands reliance on a wealth-creating mix of advanced and renewable energy technologies (clean options like solar, wind, geothermal, biomass, sustainable hydro, with natural gas as an interim fuel to bridge the transition).

Quietly, but steadily, one major U.S. utility, California's Sacramento Municipal Utility District, has spent the last 20 years demonstrating this "third way" powers economic growth, is easier on the family pocket-book and slashes air pollution.

Despite its odd sounding acronym, SMUD's success is a model for other cities, states and indeed, for Congress, if it will simply look outside the Beltway. SMUD's path to success began in 1989 when Sacramento voters

closed the problem-plagued and expensive Rancho Seco nuclear reactor. SMUD's citizen leaders then embarked on an ambitious and remarkably productive, utility-led, energy efficiency and green energy initiative.

Since the vote to shutdown their troubled reactor, Sacramento's industries, commercial businesses, residents and non-profit institutions have benefited from consistently lower electric rates than California's major utilities. Close collaboration with customers is a key to SMUD's comprehensive energy efficiency programs and renewable energy development, ranging from detailed audits of industrial facilities to incentives for miserly refrigerators and compact light bulbs.

The concept is simple: An electric company that partners with customers to create value. SMUD even enabled local manufacturers to "co-generate" electricity for the community together with the steam needed for their industrial processes.

Moody's Investor Service, Wall Street's fiscal watchdog of U.S. utility performance, rates SMUD higher than or equal to other U.S. utilities that operate nuclear reactors. In June, Moody's warned: "The likelihood that Moody's will take a more negative rating position for most issuers actively seeking to build new nuclear generation is increasing."

On the cost side of the energy equation, a new, comprehensive academic report from Vermont Law School on the prospective economics of new reactors underscores Moody's wariness of embracing a new gen-

eration of reactors. The study found efficiency and renewable energy cost estimates average 6 cents per kilowatt-hour, while the cost of electricity from new nuclear reactors is estimated in the range of 12 to 20 cents per kWh.

VLS's Mark Cooper's analysis concludes "the additional cost of building 100 new reactors, instead of pursuing a least cost efficiency-renewable strategy, would be in the range of \$1.9-\$4.1 Trillion (emphasis added) over the life of the reactors."

Congress and the American people have heard this story before — promises nuclear power is a solution to America's energy needs. In fact, nuclear power continues to be a fiscal black hole; looming as a fool's gold solution to the growing real threat poised by global climate change.

Many states "get it" and are now implementing SMUD-type programs. More than two dozen states have legislated or passed referenda requiring that utilities provide a specific percentage — typically ranging between 10 percent-30 percent of their electricity supply — to be generated by sustainable energy resources by a certain date.

Nearly 1,000 mayors of cities like Denver, Chicago, Portland, Austin and Salt Lake City, representing tens of millions of Americans, have signed the Mayor's Initiative on Climate Change, pledging to use sustainable energy resources to power their jurisdictions to prosperity.

Nevertheless, Beltway cheerleaders for the nuclear and coal industries are trying to force us, the taxpayers, to give away tens

of billions more in shaky loan guarantees. This scheme shifts responsibility for failed nuclear projects onto the backs of the American families and businesses — despite the conclusion of federal budget-hawks (the Congressional Budget Office and the U.S. Government Accounting Office), that 50 percent of such nuclear reactor loans will likely default.

The nuclear industry and their lobbyists want us to take the risk while they pocket the profits. New nuclear reactors would lead us deeper into national financial debt, and weaken our economy.

Let's tell Congress to look outside the Beltway and adopt practical and profitable solutions like Sacramento did 20 years ago. It's time to make energy efficiency, wind, geothermal, biomass and solar power the cornerstone of America's energy future.

Thanks to Sacramento's citizens and utility, there is a better way today: One that ensures our grandchildren and theirs have a healthy and prosperous future.

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