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AS I SEE IT

Governors have a clear role on energy efficiency

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Special to The Star

Some of the nation's most visionary governors are convening in Kansas this week to discuss one of the most important and challenging issues of our time: clean energy.

Gov. Kathleen Sebelius, co-chair with Gov. Tim Pawlenty of Minnesota of the bipartisan National Governors Association's Securing a Clean Energy Future Task Force, leads a special initiative focused on renewable energy, energy efficiency, and the potential for clean power.

Specifically, the questions are how these technologies can reduce America's reliance on foreign oil, yield economic benefits for consumers and businesses, and reduce the emissions that cause global warming.

Many states are wrestling with complex energy issues and facing debates similar to the one that has become a flashpoint in Kansas. Gov. Sebelius has twice vetoed legislation that would overturn the denial of permits to Sunflower Electric, which is seeking to build two new coal-fired power plants.

Kansas' situation is hardly unique, though. Electricity shortages, rising energy prices, and the need for costly new generating capacity face governors from coast to coast. Not only are conventional coal-fired power plants the largest contributor to global-warming emissions, in the past several years they have become extremely expensive. The cost of building and fueling them has risen 131 percent and 50 percent, respectively.

Energy efficiency can free up the power needed to meet growing demand with quicker, cheaper and cleaner alternatives. And more governors are discovering this alternative.

The sheer scale of energy savings opportunities is enormous. According to the widely respected consulting firm McKinsey & Co., the U.S. could cap its energy demand and its global warming emissions at today's levels through the year 2030 — at a profit — just by making better use of the energy we already have and cutting out the waste.

Fifteen states have implemented binding energy efficiency savings targets, and at least five more have similar policies pending.

Governors are moving in the right direction, but they can do more.

States must change the way utilities make money. Most utilities are compensated based on their energy sales. The more power they sell, the more money they make.

Leading states are reversing that formula so that utilities make money for selling less power, through investments in energy efficiency instead of expensive and dirty new power plants.

For governors who find themselves increasingly concerned with rising energy prices, tightened energy supply, and the prospect of global warming, bold action on efficiency can provide real solutions.