



## Overseer's Undercurrent: Make It So?

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On nearly every issue of major importance in energy and environmental policy, we are engaged in an ideological tug of war. It goes deeper than the historical clichés of "right versus left," or the "regulation versus market forces" debates of the past decade, or even the "mandatory versus voluntary" arguments now framing such worthy policy goals as reducing greenhouse gas emissions and averting potentially disastrous climate change.

To me, the conflict is really about whether anything we do will really make a difference in the long run. Or whether we're merely fooling ourselves into believing we have the power to - in the still-syndicated words of Star Trek's Captain Jean-Luc Picard - "Make it so."

I personally go back and forth, sometimes as frequently as the tides, all the while worrying that what's really going on is a constant erosion of the sands beneath our feet.

Let's look at a few examples in the news.

This week, the Bush administration presented to Congress its "Climate Change Strategic Plan." That proposal would devote about \$3 billion to encouraging new technologies like the zero-carbon FutureGen coal-fired power plants as the primary federal response to the climate change challenge. The immediate response was, to put it kindly, harsh rejection by those who want a stronger policy of mandatory carbon reductions.

"The plan fails to require any specific reductions in global warming pollution at all," complained Carl Pope, Sierra Club executive director. Instead, he called it "a laundry list of technologies - many of which do not exist today at all or in any practical form - that could allow us to reduce our emissions if they are adopted."

Department of Energy officials defend their position, claiming that the only effective approach to climate change is a "partnership between government and business."

My translation to polycyspeak: "No mandatory reductions and certainly no cap and trade for carbon."

Meanwhile, in New York City, as part of former president Bill Clinton's confab on global activism, a single entrepreneur, Richard Branson of the Virgin Group, pledged an equivalent amount - a whopping \$3 billion - over the next decade for climate change research and fuel-switching programs. Branson had previously pledged to supplement or replace the jet fuel used by Virgin Airlines with cellulosic ethanol, and he plans to build an ethanol refinery in California.

That's great. I think. Maybe voluntary approaches really are the best way to go, and the federal government's recalcitrance to do something about the problem actually turns out to be a spur for others to step up. A maverick like Branson wouldn't respond to command-and-control dictates, but on a voluntary basis, he is offering new ideas and possible solutions.

Competing for space in my internal soliloquy, that other internal voice nags me about the problems I've been hearing regarding ethanol and similar fuel substitutes. I keep reading that they are nowhere near cost-effective. That they have inferior octane values, water-absorption issues, and corrosive effects that could make widespread use incompatible with existing delivery infrastructure or even contribute to engine failures. Planes falling from the sky is not what I'd consider an effective response to global warming. Are we setting ourselves up for a disaster even worse than what resulted from our previous reliance on MTBE additives to provide cleaner-burning fuels?

Here in California, the great debate over AB 32, the "Global Warming Solutions Act," was another variation of mandatory versus voluntary approaches. Both Governor Arnold Schwarzenegger and Democratic sponsors agreed on the goals of the bill, but each had different ideas about how to achieve them. The final version of the bill partly resolved this by saying state regulators "may" use

market-based programs such as a cap-and-trade system to achieve its ambitious greenhouse gas reduction goals, but there's still a strong possibility of mandatory regulations.

What was not resolved is whether either approach can really "solve" or even slow down the impacts of global warming - as the bill's title promises - or whether the unintended result will be to effectively banish certain industries from the state and relocate the emissions elsewhere.

The debate continues over a couple of companion climate change-related bills now sitting on Gov. Schwarzenegger's desk. One, Senator Don Perata's (D-Oakland) SB 1368, sets a statutory cleanliness standard for baseload electricity purchased by California utilities, effectively prohibiting imports from traditional coal-fired power plants. The other, AB 1012 from Assemblymember Joe Nation (D-San Rafael), sets a quota on alternative-fueled vehicles sold in the state by telling the California Air Resources Board to adopt rules that would require half of all new cars and light trucks sold to be fueled by gasoline substitutes.

Now, I'll defend California's right to do everything it can to contribute to solutions, and I endorse policies that provide leadership in the face of federal deficiencies. Plus, I'm no big fan of coal power, even so-called "clean coal."

But I harbor reservations about such prohibitive approaches. We've tried in the past to dictate "zero-emission vehicles" but learned that the consumer marketplace has its own ideas.

The zero-emission, or electric vehicle, policy was a complete failure, and sales of monster trucks and SUVs overwhelmed the market until gas prices climbed. Then what happened was something that no one could dictate - widespread consumer adoption of hybrid electric cars, even at a premium price. And honestly, I'd prefer that consumers could exercise the choice over which energy sources their monthly utility payments support, rather than having a law that determines technological winners or losers.

In addition, the Perata bill just sets up a court challenge over provisions that put the California Energy Commission in the business of regulating contracts and deals signed by municipalities and other public power utilities.

Basically, I remain unconvinced that just putting something into law resolves the real problem, whether it be global warming, cleaner air, or food safety. Experience tells me that we might simply be creating more problems that distract us from the true goal.

For instance, I was taken aback to learn this week that one California lawmaker's response to the current spinach E. coli contamination incident is to start drafting legislation that would prohibit use of treated wastewater for agriculture. What I've learned from reporting about water is that recycled water is generally cleaner than original-source water and that existing standards for cleanliness and testing requirements make it very unlikely that recycled water is the culprit in this E. coli outbreak - assuming that those rules were followed.

It's not just the knee-jerk response that bothers me, but my sense that such prohibitive legislation misses the bigger picture of potential water restrictions as our population grows and freshwater supplies tighten. And I fret that, if enacted, such a law would only result in higher costs and fewer options in the long run, without doing anything to ensure that such an outbreak does not recur.

As dissatisfying as it is for an editorialist to say, this is a conflict I cannot resolve, no matter how much I wish we could just say, "Make it so."

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