

ENERGY: TOP CHALLENGE FOR NEW ENGLAND'S GOVERNORS

By Neal Peirce and Curtis Johnson

The New England Governors' Conference, meeting in Newport, R.I., May 11-13, has made energy its top agenda item.

As well it might!

Even before post-Katrina price spikes hit, New England's six states were energy orphans, at the end of the pipelines, obliged to import virtually all their oil, natural gas or coal. They're second only to Hawaii in vulnerability to import cutoffs or electric grid breakdowns. Fast inflating heating costs provide a severe new burden. New Englanders pay electric utility bills 36 percent above the national average. Escalating energy costs threaten the region's competitiveness and make it increasingly unaffordable for young people.

What's more, unless the greenhouse gases from fossil fuel burning can be reduced, the rising sea levels now projected from global warming are likely to produce storm surges flooding New England seaside towns and cities, even while rising temperatures threaten every resource from autumn foliage to ski seasons.

So is there already a coherent New England-wide energy strategy, aimed at tapping the region's technical savvy and

historic self-reliance to save (and better use at home) some of the billions of dollars it now exports to purchase fossil fuels from such places as Saudi Arabia, Venezuela and Texas?

The answer – so far – is no. The six governors meet just a few hours each year and lack a policy staff. Gov. Mitt Romney even withdrew Massachusetts from the New England Governors' Conference, ostensibly to save dues. There's not yet a hint of the kind of regional cohesion on natural resource issues that the Great Lakes governors recently demonstrated by agreeing to invest \$20 billion to clean up Great Lakes pollution and control export of water from their region.

New Englanders need to face reality. Much of America sees the region as an "old, cold, blue" – and expensive – place. New England's 14 million people are a diminishing 4.8 percent of the U.S. population, fewer people than metropolitan Los Angeles alone.

So what could a unified New England – acting like one team, not six – achieve on the energy front? Consider some possibilities:

- Go for efficiency – the first, fastest opportunity to register

big-time energy (and dollar) savings. Why not a New England-wide pact focused on higher, common appliance energy standards and dramatically upgraded building codes to achieve superior energy performance? "Green" buildings save dramatically on energy; who can't all, not just a few, be built (or retrofitted) to new green standards?

- Keep pushing for New England-wide participation in the Northeastern states' regional greenhouse gas emission program – a strong commitment to global warming mitigation that all the six states except Massachusetts and Rhode Island now agree to.

- Diversify sources. The region is over-reliant on natural gas and oil – he very fuels propelling today's skyrocketing costs. With or without a new LNG terminal, fossil fuel costs are destined for constant inflation. Nuclear power, the region's other major source of power, runs "clean" in terms of greenhouse gases, but isn't likely to grow because of intense local opposition to new plants.

So how about "renewable" energy sources that New England can produce itself – solar, wind and biofuels? With oil at \$70 a barrel and headed up, renewables

have become far more price competitive. Right now they're small-scale. But our six-state-wide interviews revealed a phenomenal array of New England universities, cities, corporations, non-profits already intent on moving to clean, renewable energy. A clarion call by the governors for renewables, business and universities joining in, could set the stage for spontaneous combustion.

One smart early move: Create a New England-wide processing and distribution system for biofuels. Clean-burning biodiesel is ideal for trucks, buses, and home heating. But it needs a strong push—for example commitment by governors to expand biodiesel to all public vehicle fleets. "One team" New England answers are critical -- the states are too small, too interlinked with their neighbors, to reach broad impact through isolated experiments.

- "Distributed generation." Big central power plants, sending electric current over extended lines, are critical to today's power system – even though their technologies are decades old, generate huge amounts of greenhouse gases, and waste substantial amounts of heat and power.

So tomorrow? Energy experts

point to local power plants – run by universities, hospitals, factories or neighborhoods – that tap highly efficient "cogeneration" of both electricity and heat. These outposts of "distributed generation" have the potential to experiment, develop renewable sources, and increase efficiency, reliability and security of power for consumers. Both drawing peak need power and contributing to large electric grids, they could be the wave of the future.

The challenge for New England's six governors is clear. If they roll up their sleeves, work as a team, set vision, devise the right energy incentives, they can strengthen the region immeasurably in the face of 21st century perils and challenges. New England has the superior technological skills to do the job. Now it needs leadership.

Neal Peirce and Curtis Johnson of the Citistates Group writer team have delved into New England's challenges and hopes as part of a New England Futures project, with findings at www.newenglandfutures.org.